

Supreme Court, U.S.  
FILED

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No.

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IN THE

**Supreme Court of the United States**

ROBIN SINGH EDUCATIONAL SERVICES, INC.,  
D/B/A TESTMASTERS AND ROBIN SINGH,  
*Petitioners.*

v.

TEST MASTERS EDUCATIONAL SERVICES, INC.  
AND VIVEK ISRANI,  
*Respondents.*

**Petition for a Writ of Certiorari to the  
United States Court of Appeals  
for the Fifth Circuit**

**PETITION FOR A WRIT OF CERTIORARI**

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February 14, 2006

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## **QUESTIONS PRESENTED**

1. Whether a court violates the First Amendment and exceeds its authority under federal law by issuing an unprecedented injunction that *permanently* prohibits one of the largest test preparation companies in the nation from petitioning the United States Patent and Trademark Office (“PTO”) for registration of its trademark.
2. Whether the Fifth Circuit erred by imposing an arbitrary “waiting period” for the development of secondary meaning, in conflict with settled trademark law, rulings from other Circuits, and modern economic reality.

## **PARTIES TO THE PROCEEDING**

Pursuant to Rule 14.1(b), the following list identifies all of the parties appearing here and before the United States Court of Appeals for the Fifth Circuit in this matter:

The petitioners here and appellants below are Robin Singh Educational Services, Inc., d/b/a TestMasters, and Robin Singh.

The respondents here and appellees/cross-appellants below are Test Masters Educational Services, Inc., and Vivek Israni.

**CORPORATE DISCLOSURE STATEMENT**

Pursuant to Rule 29.6, Petitioners state that Petitioner Robin Singh Educational Services, Inc., d/b/a TestMasters has no parent corporations and no publicly held corporation owns 10% or more of its stock.

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## **OPINIONS BELOW**

The opinion of the Court of Appeals is reported at 428 F.3d 559, and is reprinted in the Appendix to the Petition (“Pet. App.”) at 1-38a. The Court of Appeals’ unpublished order denying rehearing en banc is reprinted at Pet. App. 39-41a. The unpublished rulings of the United States District Court for the Southern District of Texas are reprinted at Pet. App. 42-72a, and Pet. App. 73-99a.

## **JURISDICTION**

The Court of Appeals issued its decision on October 18, 2005. Petitioners’ timely petition for rehearing en banc was denied on November 16, 2005. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AT ISSUE**

This case involves the First Amendment to the United States Constitution. *See* U.S. CONST. amend. I (“Congress shall make no law . . . abridging the freedom of speech . . . or the right of the people . . . to petition the Government for a redress of grievances.”). This case also involves the Lanham Trademark Act, 15 U.S.C. § 1051 *et seq.*, relevant provisions of which are reproduced at Pet. App. 192-94a.

## **STATEMENT OF THE CASE**

Petitioner Robin Singh Educational Services d/b/a/ TestMasters (“TestMasters”) is one of the nation’s leading test preparation companies, and is particularly well-established as a provider of Law School Admission Test (“LSAT”) preparation courses. This case involves TestMasters’ constitutional right to petition the United States Patent and Trademark Office (“PTO”) for protection of its intellectual property—namely, its brand name and the

consumer goodwill that it has accumulated since its inception in 1991. The exercise of this right is critical not only to TestMasters, but also to the countless consumers being preyed upon by Respondents Test Masters Educational Services, Inc. ("TES") and Vivek Israni, TES's president. As documented by numerous college newspapers across the country, TES is a much smaller test preparation company that has attempted to capitalize on TestMasters' success by attempting to trick customers—most notably, huge numbers of prospective law students—into believing that it is the successful Petitioner TestMasters.

The Fifth Circuit's decision—which affirmed an unprecedented *permanent* injunction barring TestMasters from petitioning the government for trademark protection—has sanctioned an unconstitutional prior restraint and has left TestMasters powerless to protect itself and its customers. The decision below will have a chilling effect upon those who seek to protect their trademark rights in the Internet era, in which the "secondary meaning" required to protect a descriptive mark can develop at a rapid pace. Even more alarming is the Fifth Circuit's usurpation of the authority and power of the PTO and the Federal Circuit, which have been effectively stripped of jurisdiction over matters within their expertise. The Court should review the two critically important issues presented here:

*First*, the extraordinary injunction approved by the Fifth Circuit serves as a *permanent* prior restraint upon Petitioners and, as such, it violates Petitioners' First Amendment rights. It also exceeds the district court's authority under the Lanham Act, and invades the province of the PTO. The Fifth Circuit's ruling creates a conflict with a ruling from the Second Circuit, which established that it is unconstitutional to impose a prior restraint upon the right to petition a federal

agency in circumstances similar to those presented here. Notably, the Fifth Circuit has expressly ruled that TES has no trademark rights in the “Testmasters” mark *outside* of Texas, and thus barring TestMasters from petitioning the PTO for registration of that mark *outside* of Texas serves no legitimate interest. In contrast, the Fifth Circuit’s ruling irreparably harms Petitioners, who are restrained from approaching the PTO to register their mark even though their business has grown dramatically in recent years. Review should be granted to resolve the important questions raised by the unprecedented injunction at issue here, and to restore the framework of trademark protection that Congress intended and that the First Amendment demands.

*Second*, the Fifth Circuit broke from rulings of other courts and the PTO by imposing an artificial “waiting period” upon litigants who—like Petitioners—seek to show that their mark has quickly acquired the secondary meaning necessary for protecting a descriptive mark. Trademark law has long recognized that arbitrary durational requirements are inappropriate for the situation-sensitive secondary meaning inquiry. Given the increasing prevalence of the Internet and other mass media, it is now more true than ever that secondary meaning can literally develop overnight—and certainly over the course of several months or a few years. The Fifth Circuit, however, relying on dated Circuit precedent, held that Petitioners were barred, as a matter of law, from establishing secondary meaning because only twenty-eight months had passed since a previous attempt. In so ruling, the Fifth Circuit deviated sharply from settled trademark law and created a significant Circuit split. This Court should grant review to resolve the confusion created by the decision below and to ensure that trademark law properly accounts for modern economic reality.

## A. Factual Background

1. Petitioner Robin Singh has achieved a world record twelve perfect LSAT scores and is currently the most famous LSAT teacher in the United States. He founded TestMasters in 1991, which began by offering classroom preparation courses for the LSAT in southern California. Since then, TestMasters has rapidly grown into a major national and international presence in the test preparation market, holding LSAT courses in forty-nine states, the District of Columbia, Canada, Great Britain, and Japan. TestMasters is one of the five largest test preparation companies in the United States, and one of the three largest LSAT preparation companies in the world. It enjoys over 50% market share for LSAT preparation classes in California, and over 18% nationally. Its LSAT course is widely advertised, most prominently in the Internet and print editions of *U.S. News & World Report*'s law school rankings—one of the most avidly consulted resources for prospective law students.

TestMasters has thrived, in large part, by recruiting and training an exclusive faculty that currently consists of more than 150 instructors. Every TestMasters instructor has scored in the 99th percentile on an officially administered LSAT and has been trained personally by Robin Singh. Students of TestMasters receive an unparalleled array of benefits, including 80 hours of live instruction, fifteen comprehensive course books, four proctored full-length diagnostic tests, a toll-free help line, an online resource center, and a complete set of all 5,000-plus official LSAT questions.

TestMasters' dominance in the marketplace is due primarily to the excellence of its product. Tens of thousands of satisfied customers have generated positive word of

mouth publicity for TestMasters, and in recent years the Internet has broadcast this goodwill to consumers everywhere. The frequent exposure that TestMasters has received on Internet pre-law websites, discussion boards, and chat rooms has helped transform TestMasters from a regional company to a nationwide leader in the industry.

2. In contrast to the merit-based ascent of TestMasters, Respondent TES has attempted to build market share over the past several years by masquerading as the TestMasters operated by Singh. TES is based in Texas and began offering classes there in 1992. From its inception until 2003, TES operated solely in Texas, primarily offering SAT preparation courses. Indeed, prior to May 2003, TES had never offered an LSAT course—anywhere.

TestMasters and TES discovered each other in 1999, when Singh sought to obtain the “testmasters.com” domain name, but found that it was owned by TES. Soon afterwards TES published a website at testmasters.com, creating mass consumer confusion. This confusion intensified exponentially in May 2003 when TES altered its website to mimic the TestMasters website, thus creating the false impression that the TES site was home to the real TestMasters. TES also changed its website to state, untruthfully, that it was conducting LSAT courses under the “TestMasters” mark in 49 states and that it had offered courses for a variety of exams, including the LSAT, since 1991. Perhaps most devastatingly, TES’s website duped consumers into believing that TestMasters no longer operated in its home state of California.

Moreover, when students contacted TES but made it clear that they were looking for TestMasters, TES representatives kept the students in the dark and enrolled

them in a TES course instead. To date, over sixty consumers have declared under oath that they have been confused by TES's use of the "TestMasters" trade name, with many of these students stating that they were tricked into taking the wrong course. In the representative words of one dispirited future attorney, forced to pay for another LSAT course after being fooled into signing up with TES: "I saved all summer to pay for this. Basically I gave everything I had and then I found out I wasn't in the right class." Pet. App. 148a. Students who were tricked into enrolling in the TES course consistently complained that it was a substandard course taught by amateurs. *Id.* at 155-56a. One student who eventually took the real TestMasters course after being tricked into taking the TES class illustratively explained that the TestMasters course was "100 percent better." *Id.* at 151a.

TES's exploitation of the "TestMasters" name has recently been exposed by news outlets and state consumer protection agencies. In October 2005, the New York Consumer Protection Board issued a warning against TES and is seeking refunds for seventeen TES students who were tricked into taking the TES course because TES "does not adequately disclose that a different company provides the original 'TestMasters' program for pre-law students." Pet. App. 145a. As the *New York Post* reported in late 2005, "Future law students are being fooled into forking over \$1,100 for the wrong prep course by a company bearing the same name as the popular 'TestMasters.'" *Id.* at 149a; *see id.* at 150-91a (news reports). This consumer confusion over the "TestMasters" mark has cost consumers and TestMasters millions of dollars, and has done irreparable harm to TestMasters' reputation and consumer goodwill.

## B. The 1999 Litigation

In 1999, Singh received trademark registration from the PTO for the “TestMasters” mark. In August 1999, TES—which owned the “testmasters.com” domain name—brought suit seeking a declaration of non-infringement or invalidation of Singh’s “TestMasters” mark. TestMasters filed a separate lawsuit alleging infringement and unfair competition under federal and state law. These suits were consolidated before the Southern District of Texas (“1999 Litigation”).

The 1999 Litigation went to trial in February 2001. A jury found that Singh proved secondary meaning in the “TestMasters” mark, and the district court thus awarded the “testmasters.com” domain name to Singh. But in July 2002, the Fifth Circuit reversed, determining that insufficient evidence of secondary meaning in the relevant market—southern California—had been presented at the February 2001 trial. Pet. App. 112-13a. The Fifth Circuit found the case a “close” one, recognizing “some evidence that Singh’s mark has established a secondary meaning.” *Id.* at 112a.

On remand, the district court issued an order declaring Singh’s “TestMasters” trademark invalid and transferred “testmasters.com” back to TES. Pet. App. 45a. Two weeks later, TES requested modification of the judgment to include draconian and unprecedented *permanent* injunctive relief against Singh, barring him from: (1) pursuing federal registration of the “TestMasters” mark, (2) interfering with or opposing TES’s application for federal registration of the “TestMasters” mark, and (3) using the mark within or directed at Texas. *Id.* at 100-01a. TES’s motion lay dormant for ten months. Then, on July 14, 2003—without conducting any hearings, and despite that TES had never claimed a legal right to the “TestMasters” mark beyond concurrent use in

Texas—the district court granted a permanent injunction in the *exact* form submitted by TES. *Id.*

### C. The 2003 Litigation

1. In the seventeen months following the February 2001 trial, TestMasters experienced dramatic growth. *See, e.g.*, Jonathan Sabin, *The Test Prince of Bel-Air*, **FAST COMPANY**, Jan. 2006, at 96 (“TestMasters, which began as a one-man tutoring shop in [Singh’s] Los Angeles apartment in 1991, has exploded into a \$10 million machine with roughly a third of the \$30 million national LSAT-prep industry . . .”). Citing these changed circumstances, Singh submitted a new trademark application to the PTO in July 2002, requesting nationwide protection of the “TestMasters” mark outside of Texas. Meanwhile, TES began aggressively using its limited success in the 1999 Litigation to illegitimately capitalize on TestMasters’ famous name. In response to TES’s deceptive and unlawful behavior, TestMasters filed suit against TES in the Central District of California in June 2003 (“2003 Litigation”), alleging violations of federal trademark law substantially different from those at issue in the 1999 Litigation, as well as state trademark, unfair competition, and false advertising claims not at issue in the 1999 Litigation.

TestMasters’ Complaint detailed TES’s new campaign of deception. In May of 2003, TES altered its website to mimic TestMasters’, giving the false impression that TES offered LSAT courses in virtually all of TestMasters’ most established markets, hoping to lure in prospective TestMasters students who confused TES for TestMasters. Pet. App. 131-32a. The only exception was TestMasters’ largest market, California, where TES used its website to create the impression that TestMasters had stopped offering courses. If a user clicked on “California” on the TES

website (where TestMasters has *always* offered LSAT classes, and where TES *never* had), the following message appeared: "Unfortunately, we are not offering classes for the LSAT in California in 2003." *Id.* at 134a. In addition to detailing TES's conduct, the Complaint alleged numerous instances of confusion experienced by students, parents, pre-law advisors, and others. *Id.* at 135-37a.

In detailed allegations relevant to secondary meaning, the Complaint also made clear that the 2003 case was not merely a rehash of the 1999 Litigation. Rather, "[s]ince February 2001, TestMasters ha[d] grown dramatically in total enrollment size, number of locations, revenue, and exposure to consumers across the nation." Pet. App. 130a. TestMasters' revenue had increased from \$700,000 in 1999 to over \$7,000,000 in 2002. *Id.* at 117a. No longer a California, LSAT-only business, TestMasters had undertaken an expensive, effective nationwide advertising campaign in large-circulation print magazines (such as *U.S. News & World Report*) and on the Internet. *Id.* at 118-23a. The Complaint detailed TestMasters' substantial national outreach efforts to college campuses which, combined with its advertising and other media attention, had led the company's popularity to "sky-rocket[]." *Id.* at 123a. Industry leader Kaplan had come to perceive TestMasters as its chief competitor, and market surveys and expert testimony confirmed that TestMasters was now an industry leader with "an excellent word of mouth reputation among students." *Id.* at 124-25a.

2. The case was transferred to the Southern District of Texas, where TES moved to dismiss. Without permitting any discovery, the Southern District of Texas granted TES's

motion to dismiss. Pet App. 42-72a.<sup>1</sup> The court ruled that *res judicata* barred TestMasters' suit, stating that the case "is pragmatically connected to the transaction at issue in the 1999 case"—namely "TES's further activity on and development of its website." *Id.* at 63a. The court conceded that "[t]he factual scenario in the 1999 case was slightly different from that in the current case in that the website content was less extensive," but concluded "[t]hat the factual scenarios differ . . . is irrelevant to the *res judicata* analysis." *Id.* at 63-64a.

The district court rejected TestMasters' argument that important factual changes since the 2001 trial permitted the case to go forward. Relying on dated Fifth Circuit precedent concerning the emergence of secondary meaning in "pig sandwiches" over sixty years, the court held that "the passage of time is a key component" in determining whether TestMasters would be permitted to litigate its claims. Pet. App. 67a. Although noting conflicting Second Circuit authority, the court categorically barred TestMasters from mounting a secondary meaning case because no court within the Fifth Circuit "has allowed . . . relitigation [of secondary meaning] after only sixteen months." *Id.* at 67-68a. Although this suit was only TestMasters' second attempt at proving secondary meaning, the court noted a desire to prevent "constantly relitigating this matter." *Id.* at 69a.

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<sup>1</sup> The district court initially converted the motion to dismiss to a summary judgment motion on September 17, 2004. In response to TestMasters' argument that it was never permitted discovery on its claims, the district court issued an amended order on October 7, 2004 to "clarify" that the court had rejected TestMasters' claims pursuant to a motion to dismiss standard.

At the same time that it issued its order dismissing the case, the district court issued another order in which it “reiterate[d], with more detail, the parameters and requirements” of its prior injunction. Pet. App. 96-99a.

3. Petitioners appealed to the Fifth Circuit from the dismissal of the 2003 Litigation and the injunctive relief ordered in the 1999 and 2003 Litigations. The International Trademark Association filed an *amicus curiae* brief in support of TestMasters, explaining that the district court’s decision “threatens the effective operation of the trademark system and compromises the public interest in a fair and thorough trademark registration process.” Brief of *Amicus Curiae* International Trademark Association at 13, Nos. 03-20787 & 04-20861 (5th Cir. Dec. 14, 2004).

With respect to the issues raised in this Petition, the Fifth Circuit affirmed. *First*, applying the motion to dismiss standard, the Fifth Circuit barred TestMasters from proving that it had developed secondary meaning in the twenty-eight months following the February 2001 trial. Although the Fifth Circuit rejected the district court’s *res judicata* ruling, because “the operative facts between the current litigation and the previous litigation are not the same,” Pet. App. 17a, it held that collateral estoppel foreclosed Petitioners’ suit. According to the Fifth Circuit, both cases presented the “incontrovertibly identical” issue of whether the “TestMasters” mark had secondary meaning. *Id.* at 18a. The Fifth Circuit concluded that the issue of secondary meaning was identical in the two cases even though the first case was expressly limited to the geographic market of “southern California,” *id.* at 110a, whereas the second case concerned the “nationwide market,” *id.* at 25a n.7.

Despite TestMasters' explosive growth since February 2001, the Fifth Circuit held that "prior cases do not support allowing Singh to re-litigate his claim." Pet. App. 21a. Although the question was "difficult," *id.* at 19a, the court held that Circuit precedent permitted relitigation of secondary meaning only where "an intervening factual change had occurred" after "a significant amount of time had passed." *Id.* at 22a.<sup>2</sup> Because it determined that a "significant amount of time" had not passed, the Fifth Circuit held that Petitioners' suit was barred absent a "significant intervening factual change," Pet. App. 23a (emphasis added), meaning *more* evidence than needed to establish secondary meaning in the first place. Thus, "Singh's evidence of 'dramatic' growth in his business and 'skyrocket[ing]' revenues is not sufficient to justify re-litigation of the issue of secondary meaning in his mark." *Id.*

Second, the Fifth Circuit affirmed the district court's order *permanently* enjoining Singh from pursuing registration of the "TestMasters" mark before the PTO—no matter how strong his evidence of secondary meaning. Pet. App. 28-29a. The court underscored that "*TES has established no rights to the mark outside of Texas.*" *Id.* at 30a (emphasis added).<sup>3</sup> But the Fifth Circuit was apparently displeased that Singh had "defiantly re-applied for a federal trademark registration" in 2002, just "two days" after the

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<sup>2</sup> In giving the passage of time controlling weight, the Fifth Circuit relied on *Texas Pig Stands, Inc. v. Hard Rock Café Int'l, Inc.*, 951 F.2d 684 (5th Cir. 1992), which allowed relitigation of secondary meaning for "pig sandwiches" only after 60 years had passed. See *Dixiepig Corp. v. Pig Stand Co.*, 31 S.W.2d 325 (Tex. App. 1930).

<sup>3</sup> TES's lack of established rights was the reason given by the Fifth Circuit for vacating the portion of the injunction prohibiting Singh from opposing TES's registration in the PTO. Pet. App. 30a.

Fifth Circuit's first decision, *id.* at 28a, failing to note that Singh's application was based on the evidence of secondary meaning that had developed in the *over seventeen months* since the February 2001 trial. The Fifth Circuit concluded that "[i]n order to enforce this court's prior judgment"—namely, "that Singh's trademark is invalid"—"it was within the district court's discretionary power to issue an injunction prohibiting Singh from pursuing registration" in the PTO. *Id.* The Fifth Circuit rejected Singh's argument that the injunction violated the First Amendment and exceeded the court's authority, merely stating that Singh remained free to *use* the TestMasters mark absent registration. *Id.* n.9.

### **REASONS FOR GRANTING THE PETITION**

#### **I. THE FIFTH CIRCUIT'S UNPRECEDENTED DECISION ALLOWING A PARTY TO BE PERMANENTLY ENJOINED FROM PETITIONING THE PATENT AND TRADEMARK OFFICE BREAKS FROM SETTLED LAW WITH UNTENABLE CONSEQUENCES.**

1. The First Amendment protects both "freedom of speech" and "the right of the people . . . to petition the Government for a redress of grievances." U.S. CONST. amend. I. The Court has long recognized the "right to petition as one of 'the most precious of the liberties safeguarded by the Bill of Rights,'" which is "implied by '[t]he very idea of a government, republican in form.'" *BE&K Constr. Co. v. NLRB*, 536 U.S. 516, 524-25 (2002) (quoting *United Mine Workers of Am. v. Ill. Bar Ass'n*, 389 U.S. 217, 222 (1967), and *United States v. Cruikshank*, 92 U.S. 542, 552 (1876)).

"[T]he right to petition extends to all departments of the Government," including "administrative agencies (which are

both creatures of the legislature, and arms of the executive)." *Cal. Motor Transp. Co. v. Trucking Unlimited*, 404 U.S. 508, 510 (1972). Indeed, "[t]he common conception of a petition today is one to the executive or legislative branch, and many historical statements of the petition right spoke only of such petitions." Carol Rice Andrews, *After BE&K: The 'Difficult Constitutional Question' of Defining the First Amendment Right to Petition the Courts*, 39 Hous. L. Rev. 1299, 1303 (2003).

This Court's precedent makes clear that an injunction prohibiting future petitioning of the government is a presumptively unconstitutional prior restraint. "The term prior restraint is used 'to describe administrative and judicial orders forbidding certain communications when issued in advance of the time that such communications are to occur.'" *Alexander v. United States*, 509 U.S. 544, 550 (1993) (citation omitted). "[C]lassic examples of prior restraints" include "restraining orders and permanent injunctions—i.e., court orders that actually forbid speech activities." *Id.* A prior restraint "comes to this Court bearing a heavy presumption against its constitutional validity." *Bantam Books, Inc. v. Sullivan*, 372 U.S. 58, 70 (1963).

In light of these principles, this Court has recognized only two narrow circumstances in which it may be permissible for courts to enjoin speech or petitioning activities consistent with the First Amendment. *First*, any such injunction must "restrain only unlawful conduct." *N.A.A.C.P. v. Claiborne Hardware Co.*, 458 U.S. 886, 924 (1982); *see Lawson v. Murray*, 515 U.S. 1110, 1113 (1995) (Scalia, J., concurring in denial of *certiorari*) ("a speech-restricting 'injunction' that is not issued as a remedy for an adjudicated or impending violation of law" constitutes "a prior restraint of the sort prohibited by the First

Amendment"). Thus, the First Amendment may allow a properly tailored injunction to restrain expression in order to remedy or prevent an ongoing or imminent violation of law. *See, e.g., Madsen v. Women's Health Ctr., Inc.*, 512 U.S. 753, 765 n.3 (1994) (citing *United States v. W.T. Grant Co.*, 345 U.S. 629, 633 (1953)).

*Second*, an injunction restricting the right to petition may not run afoul of the First Amendment if the petitioning is a "sham." This Court has defined "sham" as (1) "objectively baseless in the sense that no reasonable litigant could realistically expect success on the merits" and (2) "conceals 'an attempt to interfere directly with the business relationships of a competitor,' . . . through the 'use [of] the governmental process—as opposed to the outcome of that process—as an anticompetitive weapon.'" *Profl Real Estate Investors, Inc. v. Columbia Pictures Indus., Inc.*, 508 U.S. 49, 60-61 (1993). Unless the petitioning at issue is a "sham," the First Amendment prohibits enjoining a party from petitioning the government for relief. *See, e.g., BE&K*, 536 U.S. at 528, 530 (discussing prior cases permitting the injunction of government petitioning only for "baseless suits brought with a retaliatory motive," because such suits "fell outside of the First Amendment and thus were analogous to 'false statements'"); *Profl Real Estate Investors*, 508 U.S. at 56 (explaining that the "First Amendment right to petition" shields from antitrust liability all but "sham" petitioning of the government).

2. Applying these principles to the present context, it is plain that the unprecedented injunction against Petitioners violates the First Amendment. By definition, the injunction—which *permanently* prohibits Petitioners from attempting to register the "TestMasters" mark with the PTO—is an enduring prior restraint on their First

Amendment rights to speak and petition. And the injunction meets neither of the narrow First Amendment exceptions.

*First*, the injunction does not prohibit unlawful conduct. The Fifth Circuit made clear that TES has no trademark rights outside of Texas, Pet. App. 30a, and thus TestMasters' use and registration of its mark with respect to the rest of the country does not infringe the legal rights of TES—or anyone else. And there is certainly nothing unlawful about reapplying with the PTO for a trademark after a prior rejection. Indeed, the PTO anticipates that reapplications will be submitted as a matter of course. *See, e.g.*, *In re Honeywell*, 8 U.S.P.Q.2d 1600 (T.T.A.B. 1988) (“There is nothing to preclude an applicant from attempting a second time in an *ex parte* proceeding to register a particular mark if conditions and circumstances have changed since the rendering of the adverse final decision in the first application.”). Because the injunction prohibits TestMasters from undertaking fully lawful petitioning activities, it violates the First Amendment.<sup>4</sup>

*Second*, Petitioners' attempts to vindicate their rights to the “TestMasters” mark—in the PTO and in court—can hardly be characterized as “sham” petitioning, particularly under the rigorous standard of *Professional Real Estate Investors*.<sup>5</sup> Although the courts below previously concluded

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<sup>4</sup> Cf. RESTATEMENT (THIRD) UNFAIR COMPETITION § 35 cmt. c (1995) (injunctions in the trademark context must be crafted carefully because “restrictions on speech that extend beyond those reasonably necessary to prevent the wrongful conduct may infringe on protected rights” under the First Amendment).

<sup>5</sup> The injunction order contains several statements sharply critical of Petitioner Singh. Pet. App. 96-99a. The Fifth Circuit did not strike these statements because it found them to be “isolated

that secondary meaning had not been established as of the February 2001 trial, Petitioners have a good faith and reasonable belief that the PTO would now find secondary meaning in their mark—in light of TestMasters’ dramatic increase in name recognition since February 2001.<sup>6</sup>

The Fifth Circuit’s decision turns a blind eye to this fundamental constitutional caselaw, ruling that Petitioners’ First Amendment rights are not violated because, although they may not register their trademark, they may still *use* it. Pet. App. 28a n.9. But Petitioners’ claim is that their right *to petition the PTO* is being violated—not simply their right to use the mark. And they are not claiming any right to have the mark *registered* by the PTO, as in the only First Amendment cases cited by the Fifth Circuit in rejecting Petitioners’ claim. *Id.* (citing *In re McGinley*, 660 F.2d 481 (Fed. Cir. 1981)). Indeed, in *McGinley*, the Federal Circuit rejected a First Amendment claim only because—unlike here—“no conduct is proscribed, and no tangible form of expression is suppressed.” 660 F.2d at 484.

3. The Fifth Circuit’s decision also authorizes injunctive relief that exceeds federal courts’ authority and impinges on the congressionally mandated role of the PTO. Congress has assigned responsibility for the trademark registration process to the PTO. *See* 15 U.S.C. § 1051 *et seq.* (Lanham Act); 35 U.S.C. § 2(a) (the PTO “shall be responsible for the granting

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comments.” *Id.* at 35a. Most significantly, neither the district court nor the Fifth Circuit held that any “sham” litigation exception to the First Amendment authorized the injunction.

<sup>6</sup> Neither the district court nor the Fifth Circuit held that Petitioners have failed to establish secondary meaning. Rather, both courts held that not enough time had passed for Petitioners to litigate that claim under ordinary applicable standards.

and issuing of patents and the registration of trademarks"). Thus, "federal courts have no jurisdiction over [PTO] administrative registration proceedings except the appellate jurisdiction expressly granted by statute." 5 J. THOMAS McCARTHY, McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:53 (4th ed.) ("McCARTHY"); *accord Merrick v. Sharp & Dohme*, 185 F.2d 713, 717 (7th Cir. 1950); *cf. Pub. Serv. Comm'n of Utah v. Wycoff*, 344 U.S. 237, 241-42 (1952) ("Responsibility for effective functioning of the administrative process can not be thus transferred from the bodies in which Congress has placed it to the courts.").

The Lanham Act specifically enumerates the bases for a court's ordering relief with respect to PTO registration proceedings: "In any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action." 15 U.S.C. § 1119. Thus, this provision authorized the district court, on remand from the Fifth Circuit's 2002 ruling that Petitioners had not yet established secondary meaning, to order the PTO to "rectify the register by canceling as invalid Defendant Robin Singh's federally-registered service mark." Pet. App. 101a. In contrast, Section 1119 does not give a court authority to preempt a private party (permanently or otherwise) from attempting to register its mark. Indeed, because the district court ordered the PTO to cancel Petitioners' registration, there was no longer a "registered mark" supporting further action under Section 1119.

Similarly, the Lanham Act expressly delineates the scope of injunctive relief that courts may order in trademark proceedings. Such relief may be granted *only* to the extent necessary to "prevent" trademark infringement and other

violations of the Act. 15 U.S.C. § 1116.<sup>7</sup> No authorization is provided for the injunction at issue here, which is unrelated to *any* violation of the Act. Notably, this Court has cautioned against an overbroad reading of Section 1116. *See Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 203 (1985) (“[W]hatever the precise boundaries of the courts’ equitable power” it should not be read to “vitiate[e] the more specific provisions of the Lanham Act.”).

In sum, nothing in the Lanham Act authorizes the unprecedented injunctive relief ordered in this case—a bar on future registration attempts based on a failed prior attempt—absent some violation of the Act. Indeed, such an injunction undermines the very scheme created by the Lanham Act, which grants the authority and jurisdiction for registering trademarks to the *PTO*.<sup>8</sup> Notably, the PTO would apply no bar to Petitioners’ reapplication, but would evaluate that reapplication under ordinary principles of preclusion. *See, e.g., In re Honeywell*, 8 U.S.P.Q.2d at 1601-02; PTO, TRADEMARK MANUAL OF EXAMINATION PROCEDURES § 1217 (4th ed.) (articulating the *res judicata* principles applicable to trademark registration proceedings). The Fifth

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<sup>7</sup> *See* 5 MCCARTHY § 30:1 (injunctions authorized for the “prevailing plaintiff in a case of trademark infringement or false advertising”); 4 LOUIS ALTMAN, CALLMAN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 23:36 (4th ed.) (injunctions authorized where “an injured party has succeeded on the merits” of a claim under the Act and will suffer “irreparable future injury” absent the injunction (citation omitted)).

<sup>8</sup> By abrogating the PTO’s authority, the Fifth Circuit’s decision also raises separation of powers concerns and is contrary to the “presumption to which administrative agencies are entitled—that they will act properly and according to law.” *FCC v. Schreiber*, 381 U.S. 279, 286 (1965).

Circuit's decision also thwarts the authority of the Federal Circuit, which hears appeals from the PTO and which—like the PTO and unlike the Fifth Circuit—does not apply a heightened standard for claims of quickly established secondary meaning. *See infra* Section II; *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1130 (Fed. Cir. 1993) (disagreeing that a five-month “period of time was too short for the acquisition of secondary meaning”).

Particularly when interpreted in light of the serious First Amendment concerns described above, *see Edward J. Debartolo Corp. v. Fla. Gulf Coast Bldg. & Constr. Trades Council*, 485 U.S. 568, 575 (1988), the Lanham Act cannot support the broad and unprecedented injunctive relief ordered in this case.<sup>9</sup>

4. Review should be granted to address the fundamental and important constitutional and statutory issues presented by the extraordinary and unprecedented prior restraint ordered against Petitioners. As noted, the Fifth Circuit's decision serves as a continuing affront to the PTO, the Federal Circuit, and the trademark registration scheme that Congress created. In addition, absent review by this Court, the Fifth Circuit's ruling will irreparably harm Petitioners, their customers, and the marketplace more broadly.

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<sup>9</sup> The Fifth Circuit cited *no* case law—applying the Lanham Act or otherwise—approving an injunction like the one at issue here. It did state that “[d]istrict courts can enter injunctions as a means to enforce prior judgments,” citing Fifth Circuit precedent involving the “relitigation exception” to the Anti-Injunction Act, 28 U.S.C. § 2283. Pet. App. 28a. But that analogy is inapt, among other reasons, because Petitioners’ claim of secondary meaning is based on evidence that did not exist at the time of the February 2001 trial and thus has *never been litigated* in any forum.

The Fifth Circuit's decision has grave consequences for Petitioners—they are permanently barred from registering their “TestMasters” mark with the PTO, no matter how strong their evidence of secondary meaning.<sup>10</sup> Petitioners suffer irreparable harm to their First Amendment rights—and to their business interests—every day that they remain unable to petition the PTO for protection of their property. Petitioners’ inability to seek registration harms the consuming public as well, as it prevents Petitioners from effectively combating the fraudulent activities of TES. As detailed above, by fooling customers into believing that TES is actually the acclaimed TestMasters, TES has created massive consumer confusion at a great cost to vulnerable students. *See supra* pp. 5-6, 8-9. It is manifestly unfair that, at the same time that the PTO is permanently barred from even *considering* a trademark application from Petitioners that could end this confusion once and for all, TES enjoys free reign to continue its nefarious course of conduct.

Not only does the Fifth Circuit’s ruling irreparably harm Petitioners and their marketplace, but it harms *all* in the Fifth Circuit who wish to protect their intellectual property rights.

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<sup>10</sup> In a footnote, the Fifth Circuit stated that because the district court indicated that its injunction will last unless “specifically reversed or withdrawn,” Petitioners are not “enjoined from *ever* registering” their mark. Pet. App. 29a n.10. To begin with, a future withdrawal of the injunction will do nothing to remedy the grievous present harms to Petitioners’ First Amendment rights. Moreover, the district court has made clear its view that a “withdrawal” of its order is unlikely ever to occur, never mind anytime soon, regardless of Petitioners’ evidence. *Id.* at 70a. Finally, the district court’s “reversed or withdrawn” language did not apply to the entire injunction, but only to the portion concerning Petitioners’ *prior* PTO application. *Id.* at 96-97a.

The court's ruling authorizes district courts to *permanently* enjoin a party from petitioning the PTO simply because that party has failed to establish its rights at one point in time. The Fifth Circuit's "one-bite-at-the-apple" rule will no doubt chill potential applicants, because if their evidence of secondary meaning is deemed legally insufficient at one point in time, they may be *permanently* enjoined from seeking registration. Such an approach finds no support in the law. But it is also patently incompatible with the realities of our modern economy, in which secondary meaning can develop more rapidly than ever, and in which innovators should be encouraged—not chilled—from seeking protection for their creations. *See infra* Section II.

5. Highlighting the need for this Court's review is the conflict between the decision below and the Second Circuit's recent decision in *United States v. International Brotherhood of Teamsters*, 266 F.3d 45 (2d Cir. 2001), which held that it would be unconstitutional to enjoin a party from petitioning a government agency. At issue in that case was a district court injunction barring a group of union members from various activities that would violate a consent decree, *see id.* at 50-51, but also prohibiting those members from petitioning the NLRB in matters related to the consent decree, *see id.* at 49 (enjoining members "from intervening in any representation proceedings at the NLRB . . . or filing petitions for representation at the NLRB").

The Second Circuit vacated the provisions of the injunction that barred petitioning the NLRB, explaining that such an injunction "risk[s] interference with appellants' First Amendment right of petition," particularly where the enjoined petitioning did not itself violate the consent decree. *Id.* at 51. By holding that the First Amendment prohibits a court from enjoining the lawful petitioning of a executive-

branch agency, the Second Circuit's decision stands in conflict with the decision below.

## **II. BY IMPOSING AN ARTIFICIAL WAITING PERIOD FOR DEVELOPING SECONDARY MEANING, THE FIFTH CIRCUIT'S DECISION CONFLICTS WITH SETTLED LAW FROM THE FEDERAL AND SECOND CIRCUITS AND WITH MODERN ECONOMIC REALITY.**

1. Under the Lanham Act, trademark protection extends to "any word, name, symbol, or device or any combination thereof" used by a person "to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127. "In order to be registered, a mark must be capable of distinguishing the applicant's goods from those of others." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (citing 15 U.S.C. § 1052). Thus, the touchstone of trademark protection is "distinctiveness." *Id.*

This Court has recognized three categories of marks: generic, descriptive, and inherently distinctive. Generic marks merely "'refe[r] to the genus of which the particular product is a species,'" are inherently *not* distinctive, and thus may not be registered as trademarks. *Two Pesos*, 505 U.S. at 768 (citation omitted). On the other end of the spectrum, "inherently distinctive" marks—which are "suggestive," "arbitrary," or "fanciful"—are automatically entitled to trademark protection, "because their intrinsic nature serves to identify a particular source of a product." *Id.*

In the middle are "descriptive" marks—the type at issue here. Such marks "are not inherently distinctive" but "may acquire the distinctiveness which will allow them to be

protected under the Act." *Id.* "This acquired distinctiveness is generally called 'secondary meaning.'" *Id.*; *see* 15 U.S.C. §§ 1052(e), (f). Secondary meaning "is acquired when 'in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself.'" *Qualitex v. Jacobsen Prods. Co.*, 514 U.S. 159, 163 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

The secondary meaning inquiry is a fact-sensitive one, involving "evidence showing duration, extent and nature of use in commerce and advertising expenditures in connection therewith (identifying types of media and attaching typical advertisements)," as well as "statements from the trade or public, or both, or other appropriate evidence tending to show that the mark distinguishes such goods." 37 C.F.R. § 2.41; *see, e.g.*, *MCCARTHY* § 15:30 (relevant evidence includes "direct" evidence such as consumer surveys, and "circumstantial evidence," including "evidence of the size of the seller, the number of actual sales made, large amounts spent in promotion and advertising, the scope of publicity given the mark," as well as proof of intentional copying).

2. The Fifth Circuit's decision turns the context-specific secondary meaning inquiry on its head by establishing an arbitrary, unspecified "waiting period" during which the ordinary principles for assessing secondary meaning no longer apply. Namely, the Fifth Circuit held that where a claim of secondary meaning is not based on the passage of a "significant amount of time," then there must be a "significant intervening factual change" supporting secondary meaning. Pet. App. 22-23a. Thus, because Petitioners' claim was based on evidence developed in only twenty-eight months between the February 2001 trial and its June 2003 lawsuit, the Fifth Circuit required Petitioners to

plead *more* than ordinarily necessary to survive a motion to dismiss on secondary meaning. *See id.* at 23a, 25a.

The Fifth Circuit's decision sharply conflicts with rulings from other Circuits, which reject a special analysis for claims of quickly acquired secondary meaning. For example, in *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993), the Federal Circuit rejected an argument that five months was too short for secondary meaning to develop, explaining that the "effect of mass exposure achievable with today's communications media can not be ignored in determination of secondary meaning." *Id.* at 1130. Rather than employ a heightened standard, the Federal Circuit simply looked to the typical proof for secondary meaning, such as the extent of advertising and the change in public demand for the product. *Id.*; *accord Platinum Home Mortgage Corp. v. Platinum Fin. Group, Inc.*, 149 F.3d 722, 728 (7th Cir. 1998) (where 3-year development of secondary meaning was alleged, holding that "length of time by itself is not a determinative factor" and weighing all factors); *see, e.g., U.S. Search, LLC v. US-Search.com Inc.*, 300 F.3d 517, 525 (4th Cir. 2002) (describing the multi-factor secondary meaning analysis, including length of use; "no single factor is determinative").

In particularly stark conflict with the decision below is *Metro Kane Imports, Ltd. v. Federated Department Stores Inc.*, 625 F. Supp. 313 (S.D.N.Y. 1985), *aff'd*, 800 F.2d 1128 (2d Cir. 1986), in which the Second Circuit affirmed the litigation of secondary meaning on facts analogous to those at issue here. In *Metro Kane*, a company sought to prove secondary meaning, even though it had failed to establish secondary meaning in litigation several months earlier. 625 F. Supp. at 315. In direct conflict with the Fifth Circuit, the court refused to apply collateral estoppel: "While a

relatively short period of time has expired since the previous litigation, there is no basis to hold that a party is precluded as a matter of law from demonstrating that secondary meaning can be acquired within a few months." *Id.* Rather, "in this day of modern communications it is frequently the case that a particular product or name becomes familiar to many consumers overnight and the question whether secondary meaning exists is dependant on a variety of factual questions and determinations." *Id.* Thus, unlike the Fifth Circuit, the question in the Second Circuit is simple: Does the new evidence now establish secondary meaning?

Leading treatises also reject the Fifth Circuit's novel approach, explaining that length of use is relevant to secondary meaning, but should not receive the controlling weight given to it by the Fifth Circuit. *See MCCARTHY* § 15.55 (explaining that "[t]here is no legal rule that states the minimum amount of time necessary to achieve secondary meaning," and that "unsupported and sweeping generalizations about the length of time necessary to achieve secondary meaning," both "do not jibe with reality" and "are dangerously misleading"); *RESTATEMENT (THIRD) UNFAIR COMPETITION* § 13 cmt. e (1995) (stating that "no particular length of use is required," and noting that, in some cases, "it may be acquired soon after adoption").

Thus, the Fifth Circuit's ruling sets an unprecedented and erroneous barrier to trademark protection. The Fifth Circuit dismissed Petitioners' case because it held that Petitioners did not plead a "significant intervening factual change" during the twenty-eight months in which secondary meaning developed. Pet. App. 23a, 25a. But the Complaint detailed the overwhelming evidence showing that secondary meaning had been acquired. Relying on all categories of evidence normally required, including expert opinion and survey data,

Petitioners explained that, since the February 2001 trial, they had: grown to offer courses nationwide; vastly expanded their advertising—including prominent placements such as the *U.S. News & World Report* law school rankings; emerged as the leading competitor to the industry leader; and established positive name-recognition among the relevant market of law students, parents, and pre-law advisors. See *id.* at 116-25a. Had the Fifth Circuit, like other courts, simply asked whether Petitioners had alleged evidence sufficient to show secondary meaning, it could not have dismissed their claim.<sup>11</sup>

3. The Fifth Circuit couched its imposition of a heightened burden in the guise of collateral estoppel. But that doctrine cannot be used to foreclose legitimate claims of secondary meaning based on newly available evidence. See, e.g., *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 1233-34 (Fed. Cir. 2005) (noting that “[c]aution is warranted” because “[a] change in trademark usage can constitute a change in transactional facts that avoids preclusion,” and finding no preclusion based on “evidence of changed circumstances in the five-year period after the district court’s judgment”); *Metro Kane*, *supra*. Rather, “res

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<sup>11</sup> In addition to applying an unsupported legal standard due to the short passage of time, the Fifth Circuit erroneously required Petitioners to prove secondary meaning with respect to the “American public.” Pet. App. 25a n.7. It is well-settled that “while the ‘focus’ of secondary meaning is ‘the consuming public,’ it need not be proven among the general public if a product is targeted at only a specific segment of the general public.” MCCARTHY § 15:46. Petitioners pled and presented overwhelming evidence that the relevant segment of the public—potential law students and their advisors—associated “TestMasters” with Petitioners. See Pet. App. 116-25a.

judicata must be carefully applied, since the facts of trademark usage and consumer recognition may have changed since the prior judgment.” MCCARTHY § 32:88. Thus, “a prior holding that a designation was not protectable as a trademark because it was descriptive and lacked secondary meaning does not preclude the party from later arguing that in the time since that decision, the designation has achieved secondary meaning.” *Id.*<sup>12</sup>

Indeed, collateral estoppel simply cannot apply here because the relevant market at issue in the prior litigation was completely different. The Fifth Circuit explicitly recognized that the 2003 Litigation involved secondary meaning in “the entire nation,” Pet. App. 25a n.7, whereas it had held previously that the 1999 Litigation was limited to secondary meaning in “southern California,” *id.* at 110a. See *C.I.R. v. Sunnen*, 333 U.S. 591, 599-600 (1948) (collateral estoppel applies only if an issue is “identical in all respects with that decided in the first proceeding”).

In addition to conflicting with other Circuits, the Fifth Circuit’s decision also conflicts with the PTO’s own practice and precedent. The PTO allows previously denied applicants to reapply and receive trademark protection if they can show secondary meaning based on new evidence—regardless how much time has passed or whether the factual change is “significant.” TRADEMARK MANUAL OF EXAMINATION PROCEDURES § 1217 (“[T]he applicant may not be precluded under the doctrine of *res judicata* from again seeking

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<sup>12</sup> In other words, newly emerging evidence of secondary meaning renders collateral estoppel inapplicable here. See *Montana v. United States*, 440 U.S. 147, 159 (1979) (“changes in facts essential to a judgment will render collateral estoppel inapplicable in a subsequent action raising the same issues”).

registration if the facts and circumstances have changed since the adverse decision.”). Likewise, the settled approach of the Trial Trademark and Appeal Board—the PTO’s appellate arm—is to permit relitigation of secondary meaning where the Fifth Circuit would not. *See In re Oscar Mayer & Co. Inc.*, 171 U.S.P.Q. 571, 573 (T.T.A.B. 1971) (“The question generally in the second proceeding is, of course, whether changes in facts and circumstances do exist and, if so, whether they can support the registration sought.”); *accord In re Honeywell Inc.*, 8 U.S.P.Q.2d at 1601-02; *Flowers Indus., Inc. v. Interstate Brands Corp.*, 5 U.S.P.Q.2d 1580, 1584 (T.T.A.B. 1987).

4. Like the extraordinary injunction upheld by the Fifth Circuit, its heightened secondary meaning standard will have a devastating effect on Petitioners’ ability to protect their intellectual property and their potential customers. While Petitioners are left with no ability to secure their rights in court, TES will have a free pass to continue defrauding TestMasters’ potential customers. *See supra* Section I.4.

But the consequences of this case extend well beyond Petitioners, as the Fifth Circuit’s decision freezes trademark law in an earlier time, when “pig sandwiches”—rather than the intellectual property of Internet-based businesses—were the stuff of trademark claims. Trademark law has never imposed an arbitrary time period to establish secondary meaning. That principle is particularly salient in today’s economy, in which secondary meaning can emerge more quickly than ever before.<sup>13</sup> The Fifth Circuit’s decision simply fails to account for this modern economic reality.

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<sup>13</sup> *See, e.g., L.A. Gear*, 988 F.2d at 1130; *Classified Ventures, L.L.C. v. Softcell Mktg., Inc.*, 109 F. Supp. 2d 898, 900 (N.D. Ill.

Neither of the fundamental purposes of trademark protection recognized by this Court—preventing consumer confusion and rewarding worthy producers, *see Qualitex*, 514 U.S. at 163-64—is served by imposing a heightened standard for quickly acquired secondary meaning. Indeed, as demonstrated by the unresolved confusion over the “TestMasters” mark, both of these values are *disserved* by the Fifth Circuit’s novel ruling, which will exacerbate consumer confusion and allow predatory businesses to exploit the name-recognition and goodwill of reputable enterprises.

## CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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2000) (“Given the nature of communication, particularly over the Internet, even marks advertised but a year can develop strength and fame sufficient to render confusion more likely.”); MCCARTHY § 15:56 (“[A] new trademark may achieve wide usage and ‘secondary meaning’ within a matter of days or weeks, compared to the many years required in the days of more leisurely advertising.”); *id.* §32:88; KINNEY & LANGE, P.A., INTELLECTUAL PROPERTY FOR BUSINESS LAWYERS §8.3 (2006 ed.) (“[T]elevision, radio, magazines, newspapers and the Internet allow a trademark to be presented to a great number of people with much greater speed than was possible in the past.”); *cf.* Melvyn J. Simburg, et al., *International Intellectual Property*, INT’L LAW. 333, 336 (2005) (a Swiss appeal commission “recognized that two days of intense publicity, plus other public acts, created sufficient secondary meaning of the ‘SWISS’ logo to distinguish it as a trademark, within just one day of its first commercial use”).

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February 14, 2006

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## **APPENDIX**

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### **Appendix A**

#### **IN THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT**

No. 03-20787  
c/w 04-20861  
c/w 05-20049

Filed October 18, 2005

**TEST MASTERS EDUCATIONAL SERVICES INC;  
VIVEK ISRANI, Plaintiffs - Appellees**

v.

**ROBIN SINGH, doing business as Testmasters,  
Defendant - Appellant**

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**ROBIN SINGH EDUCATIONAL SERVICES INC, a  
California Corporation, doing business as Testmasters,  
Plaintiff - Appellant-Cross-Appellee**

v.

**TEST MASTERS EDUCATIONAL SERVICES INC, a  
Texas Corporation, Defendant - Appellee-Cross-Appellant**

**VIVEK ISRANI, Defendant - Appellee**

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**TEST MASTERS EDUCATIONAL SERVICES INC,  
Plaintiff - Appellee-Cross-Appellant**

**VIVEK ISRANI, Plaintiff - Appellee**

v.

**ROBIN SINGH, Defendant - Appellant-Cross-Appellee**

TEST MASTERS EDUCATIONAL SERVICES INC,  
Plaintiff - Appellant

v.

ROBIN SINGH, doing business as Testmasters,  
Defendant - Appellee

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ROBIN SINGH, doing business as Testmasters, Plaintiff  
- Appellee

v.

TEST MASTERS EDUCATIONAL SERVICES INC;  
ET AL, Defendants

TEST MASTERS EDUCATIONAL SERVICES INC,  
Defendant - Appellant

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ROBIN SINGH EDUCATIONAL SERVICES INC, a  
California Corporation, doing business as Testmasters,  
Plaintiff - Appellee

v.

TEST MASTERS EDUCATIONAL SERVICES INC, a  
Texas Corporation, Defendant

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Appeals from the United States District Court  
for the Southern District of Texas

Before GARWOOD, JONES, and STEWART, Circuit Judges.

CARL E. STEWART, Circuit Judge:

The principal issue in this case is whether Robin Singh is estopped by res judicata from asserting his claims of unfair competition, false designation of origin, and deceptive advertising pursuant to 15 U.S.C. § 1125(a)(1)(A); false advertising pursuant to 15 U.S.C. § 1125(a)(1)(B); and infringement of a registered trademark under California law. The district court held that a prior action and final judgment on the merits between these parties barred this litigation. Singh also challenges the district court's permanent injunction order. For the following reasons, we affirm in part, vacate in part, and remand.

## I. FACTUAL AND PROCEDURAL BACKGROUND

As the district court in California so aptly stated, “[t]his is the second coming of the Hatfields versus the McCoys.” *Robin Singh Educ. Servs., Inc. v. Test Masters Educ. Servs., Inc.*, No. CV 03-04436 PA (C.D. Cal. Aug. 15, 2003). The parties seem to share a mutual animosity, as evidenced by their litigious history.<sup>1</sup> Their problems stem from the fact that Appellant Robin Singh (“Singh”) and Appellee Test Masters Educational Services, Inc. (“TES”) both operate test

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<sup>1</sup> See *Test Masters Educ. Servs., Inc. v. Singh*, 2002 WL 1940083 (5th Cir. 2002); *Robin Singh Educ. Servs., Inc. v. Excel Test Prep Co.*, Docket No. 03-5039-JSW (N.D. Cal.) (litigation between Singh and a company owned by Vivek Israni’s sister); *Beck, et al. v. Test Masters Educ. Servs., Inc.*, Docket NO. 1:04-CV-1391 (D.D.C.) (a lawsuit filed by students, but funded by Singh, asserting consumer confusion due to TES’s use of the mark “Testmasters”).

preparation companies under the name "Testmasters" or "Test Masters." Singh began doing business as "Testmasters" in Beverly Hills in 1991, offering test preparation classes exclusively for the LSAT. He only offered classes in California until 1996, when he began to expand nationally. TES began operations in 1992, offering test preparation for the SAT, GMAT, MCAT, and other standardized tests and professional licensing exams. Appellee Vivek Israni is the owner and president of TES. Until 2002, TES offered classes mostly in Houston, Texas, though sometimes in other cities in the state, but it did not operate outside of Texas. Curiously, despite the ongoing controversy between these two companies, TES has begun to provide LSAT classes outside of Texas under the "Test Masters" name. To add to the ongoing confusion, Singh has begun to offer test preparation classes for the SAT, GRE and GMAT.

The dispute between these parties centers around whether the "TESTMASTERS" mark is a valid trademark that can be federally registered. "In order to be registered as a trademark, a mark must be capable of distinguishing the applicant's goods from those of others," or stated another way, a mark must be distinctive. *Sugar Busters, LLC v. Brennan*, 177 F.3d 258, 267-68 (5th Cir. 1999) (citations omitted). A distinctive mark identifies the source of the manufacturer to the buying public. *Id.* A mark is inherently distinctive if by its intrinsic nature the mark serves to identify the particular source of a product. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Examples are Judge Henry Friendly's often cited description of inherently distinctive marks as being either "arbitrary" ("Camel" cigarettes), "fanciful" ("Kodak" film), or "suggestive" ("Tide" laundry detergent). *Id.* (citing

*Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10-11 (2d Cir. 1976)). The holder of a distinctive mark is entitled to trademark protection and can enjoin the use of similar marks that might cause confusion in the market. *Id.*; *see also* 15 U.S.C. § 1114(1)(a).

Descriptive marks are marks that denote “a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients.” *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983) (citations omitted). Because descriptive marks do not inherently identify a source, they cannot be protected unless they acquire distinctiveness through secondary meaning. *Id.* The “likelihood of confusion” is the basic test for both common-law and federal statutory trademark infringement. 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:1 (4th ed. 1992) [hereinafter *McCarthy*]. A descriptive mark must develop secondary meaning to be afforded trademark protection because, without an association between the mark and a seller in the minds of buyers, its use by multiple sellers is not likely to cause confusion. *See* 2 *McCarthy* § 15:11. A descriptive mark can become distinctive if over time “it has developed secondary meaning, which occurs when, ‘in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.’” *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851, n.11 (1982)).

Registration is *prima facie* proof that the registered mark is distinctive. *Vision Ctr. v. Opticks, Inc.*, 596 F.2d 111, 119 (5th Cir. 1979). However, this presumption can be overcome by showing that the mark is merely descriptive.

*Id.* The burden then shifts to the registrant to prove that its mark has secondary meaning. *Id.* The burden is substantial and requires a high degree of proof. *Bank of Tex. v. Commerce Southwest, Inc.*, 741 F.2d 785, 787 (5th Cir. 1984); *Sugar Busters*, 177 F.3d at 269.

#### A. Original Litigation

Neither party knew of the other until 1999. In March 1999, Singh received a trademark registration from the U.S. Patent and Trademark Office (“PTO”) for the mark “TESTMASTERS.” Subsequently, Singh tried to set up a website for his company only to learn that TES had acquired the rights to the domain name testmasters.com in October 1995. Singh’s attorney sent a demand letter to TES and threatened to sue it for violating Singh’s trademark rights if it did not relinquish the rights to the domain name. Instead, TES filed suit in the federal district court in Texas seeking a declaratory judgment of non-infringement, or in the alternative, a judgment that Singh’s trademark was invalid because “TESTMASTERS” does not have a secondary meaning. TES also claimed that Singh committed fraud on the PTO. Singh brought a separate action against TES in the federal district court in California, alleging infringement and unfair competition under California law. Singh’s California suit was transferred to the district court in Texas and the two suits were consolidated. The district court granted summary judgment to Singh on TES’s fraud claim. The remaining claims went to trial in February 2001.

After a five-day trial, the jury found that “TESTMASTERS” was a descriptive mark but it had acquired a secondary meaning. The jury also found that TES had infringed the mark, but that TES was not subject to liability because it was

an innocent prior user. The jury concluded that TES had engaged in unfair competition in California because the domain name could cause confusion with Singh's TESTMASTERS mark. The district court issued judgment for Singh on its unfair competition claim and ordered TES to transfer the website domain name to Singh. The district court also ordered the director of the PTO to modify Singh's trademark registration to exclude Texas so that TES would have the exclusive right to use the mark within Texas.

Both parties appealed to this court. On July 24, 2002, we held that Singh failed to provide sufficient evidence to support a finding that his mark had acquired secondary meaning. *Test Masters Educ. Servs., Inc. v. Singh*, 2002 WL 1940083 (*Testmasters I*) (5th Cir. 2002) (unpublished). In support of his declaration that his mark had acquired secondary meaning, Singh introduced as evidence four "Testmasters" advertisements that appeared in the "Daily Bruin," the student newspaper of the University of California at Los Angeles. *Id.* at \*3. The ads compared Singh's product to those of his competitors Kaplan and Princeton Review; two ads also contained testimonials from satisfied customers. *Id.* In addition, Singh testified that Kaplan and Princeton Review have referred to his company "hundreds of times" in their ads. *Id.* We noted that "the probative value of advertising in establishing secondary meaning depends on the presence of data regarding [the advertising medium's] reach, frequency, and duration." *Id.* at \*4 (citing 2 *McCarthy* § 15:51). Singh did not provide any data regarding the circulation numbers for the Daily Bruin, and the evidence suggested that the ads themselves only ran four times. We held that four ad appearances in a newspaper that probably does not circulate beyond UCLA is insufficient to prove that, in the minds of the national public, the "TESTMASTERS"

mark is associated with Singh's company. *Id.* Moreover, the testimonial evidence was insufficient because there were few in number. *Id.* Therefore, we found the ad evidence to be of little significance to the question of whether the "TESTMASTERS" mark had secondary meaning. We also observed that despite Singh's assertions, there was no actual evidence in the record that Kaplan and Princeton Review had referred to "Testmasters." *Id.*

We did find probative certain e-mails that TES received from potential customers who thought that TES was the California-based "Testmasters." *Id.* However, in view of Singh's overall burden of proof, evidence of a couple of dozen e-mail messages that suggested customer confusion was not sufficient alone to demonstrate secondary meaning. *Id.* We stated that there were a number of types of potentially helpful evidence Singh could have produced but that were missing from the record including evidence of Singh's marketing and promotion, his sales and revenue, affidavits or testimony from customers and competitors, and, importantly, survey evidence. *Id.* Because Singh failed to show that a significant quantity of the consuming public associated the "TESTMASTERS" mark with his business, his evidence was insufficient to establish that the mark had acquired secondary meaning.

We reversed the district court's denial of TES's motion for judgment as a matter of law on the issue of secondary meaning. *Id.* at \*5. We also vacated the judgment for Singh for unfair competition under California law, rendered judgment for TES instead, and vacated the order compelling TES to relinquish the disputed domain name. Finally, we remanded the action to the district court for entry of an order that Singh's trademark is invalid. *Id.*

On July 26, 2002, *two days* after our judgment, Singh filed a second trademark application to register "TESTMASTERS." TES submitted a Motion for Modification of Final Judgment and Permanent Injunction. On July 11, 2003, the district court granted TES's motion and entered an order permanently enjoining Singh from (1) pursuing registration of the "Testmasters" or "Test Masters" marks in the PTO; (2) interfering with or opposing TES's registration of the "Testmasters" or "Test Masters" marks with the PTO; (3) using the marks or any confusingly similar marks within Texas or directed at Texas, including but not limited to uses via the Internet. The district court also ordered the PTO to cancel Singh's federally-registered mark for "TESTMASTERS." No appeal was taken from this July 2003 order.

#### B. Present Action

On June 23, 2003, Singh filed this second suit against TES in the federal district court in California, alleging unfair competition, false designation of origin, and deceptive advertising pursuant to 15 U.S.C. § 1125(a)(1)(A); false advertising pursuant to 15 U.S.C. § 1125(a)(1)(B); and infringement of a registered trademark under California law. This time Singh's cause of action centered around his contention that TES intentionally altered its website to suggest that it was Singh's California-based Testmasters LSAT preparation company. Singh requested that the district court enjoin TES from using the "TESTMASTERS" trademark outside of the state of Texas and enjoin TES from engaging in unfair competition, false designation of origin, false and deceptive advertising and infringement. Singh also requested that TES put a disclaimer on its website to clarify that Singh's "Testmasters" is not affiliated with TES. TES

filed a motion to dismiss for res judicata. The California district court again transferred the case to the federal district court in Texas and dismissed without prejudice TES's original motion to dismiss for res judicata. TES filed a renewed motion to dismiss for res judicata in the federal court in Texas and a motion to hold "Testmasters" and Singh in contempt for violation of the July 14, 2003 injunction order.

On September 16, 2004, the district court entered judgment for TES based on res judicata. *Robin Singh Educ. Servs, Inc. v. Test Master Educ. Servs, Inc.*, No. H-03-3348 (S.D. Tex. Sept. 16, 2004). The district court stated that the nucleus of operative facts in the prior action involved Singh's rights to the "TESTMASTERS" mark, TES's ownership of the testmasters.com domain name and website, and TES's use of the website to allegedly infringe upon Singh's trademark rights and to engage in unfair competition. In the current action, the district court averred that the nucleus of operative facts again involves Singh's alleged rights in the "TESTMASTERS" trademark, TES's ownership of the testmasters.com domain name and website, and TES's use of the website to allegedly infringe upon Singh's trademark rights and to engage in unfair competition. The district court also stated that the transactions at issue in both cases involved TES's activity on the website. Because the district court concluded that both actions are based on the same nucleus of operative facts, the court held that the doctrine of res judicata bars this second action. The district court acknowledged that the factual scenario in the current action was indeed different than the factual scenario in the previous litigation. However, the district court concluded that that fact was "irrelevant to the res judicata analysis." Instead, the court stated that it was enough that "[t]he fact scenarios are

[] parallel, for, in each case, Singh attacked TES for its use of the ‘www.testmasters.com’ website to infringe on Singh’s trademark.”

The district court also dismissed Singh’s contention that Testmasters’ drastic growth, nationwide exposure, and acquisition of state trademark rights in twenty-nine new states justifies re-litigating the secondary meaning issue. The district court observed that there has been no case in this circuit that has allowed re-litigation of secondary meaning after only sixteen months. However, neither has there been a case in this circuit, or any other, that has demarcated a precise amount of time that must pass before secondary meaning may be re-litigated. Nonetheless, the district court found no new issue of fact that would necessitate re-litigating the secondary meaning issue. Moreover, the court concluded that public policy should counsel in favor of barring further litigation related to the “TESTMASTERS” mark because of the onerous burden placed on the court and the parties in constantly re-litigating this matter. The district court noted that a descriptive mark must have secondary meaning to be afforded protection under the Lanham Act, thus, the court held that Singh’s claims of unfair competition, false designation origin, deceptive advertising, and false advertising must be dismissed because res judicata barred the re-litigation of the issue of secondary meaning. The district court also held that Singh’s current claims could have been asserted in the prior action on appeal or as part of a Rule 60(b) motion.

TES’s motion to hold Singh in contempt, and motion for sanctions, was denied and instead, the court issued another injunction order, which reiterated the prohibitions of the first injunction, but also enjoined Singh from “communicating

directly with, threatening, or harassing Test Masters Educational Services, Inc., its employees, staff, counsel, counsel's employees, or counsel's staff." The injunction instructed Singh to withdraw his suspended trademark application pending before the PTO. Singh and TES both appealed.

## II. DISCUSSION

### A. The Res Judicata Effect of the Prior Litigation

The district court dismissed Singh's action pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure.<sup>2</sup> Motions

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<sup>2</sup> This case comes before us in a curious procedural posture. In the September 16, 2004 order, the district court converted TES's motion to dismiss to a motion for summary judgment and dismissed Singh's claim under the summary judgment standard. On October 3, 2004, the district court issued an amended order that supplanted its previous judgment. In the October 3rd judgment, the district court stated that it inappropriately converted TES's motion to dismiss to a motion for summary judgment. The court clarified that it was dismissing Singh's claims under the motion to dismiss standard not under the summary judgment standard. Singh offers a perfunctory argument that the district court's amended order contains improper references to the summary judgment standard and that the district court ignored allegations that it should have assumed were true. We disagree. The district court stated that it did not refer to documents outside of the pleadings in making its judgment. Even though a court permits affidavits and other evidence to be entered into the record, as long as the court does not base its judgment on matters outside of the pleading it may grant a dismissal pursuant to Rule 12(b)(6). *Davis v. Bayless*, 70 F.3d 367, 372 n.3 (5th Cir. 1995) (the presence of affidavits in the record does not convert the motion to dismiss to a motion for summary judgment); *see also Cinel v.*

to dismiss are viewed with disfavor and are rarely granted. *Shipp v. McMahon*, 199 F.3d 256, 260 (5th Cir. 2000). In deciding a motion to dismiss under Rule 12(b)(6), the district court accepts as true those well-pleaded factual allegations in the complaint. *C.C. Port, Ltd. v. Davis-Penn Mortgage Co.*, 61 F.3d 288, 289 (5th Cir. 1995). “Taking the facts alleged in the complaint as true, if it appears certain that the plaintiff cannot prove any set of facts that would entitle it to the relief it seeks,” dismissal is proper. *Id.* It must appear beyond doubt that the plaintiff “can prove no set of facts in support of his claim which would entitle him to relief.” *Campbell v. City of San Antonio*, 43 F.3d 973, 975 (5th Cir. 1995) (alterations and citations omitted).

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*Connick*, 15 F.3d 1338, 1343 n.6 (5th Cir. 1994) (federal courts are permitted to refer to matters of public record when deciding a 12(b)(6) motion to dismiss); *Causey v. Sewell Cadillac-Chevrolet*, 394 F.3d 285, 288 (5th Cir. 2004) (documents that a defendant attaches to a motion to dismiss are considered part of the pleadings if they are referred to in the plaintiff’s complaint and are central to the claim). We do observe that generally a res judicata contention cannot be brought in a motion to dismiss; it must be pleaded as an affirmative defense. 5 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1357 (3rd ed. 2002). *But see Moch v. East Baton Rouge Parish School*, 548 F.2d 594, 596 n.3 (5th Cir. 1977) (“[I]f the trial court has treated the 12(b)(6) motion [based on res judicata] as one for summary judgment, its dismissal under 12(b)(6) is not reversible error.” (citing *Larter & Sons, Inc. v. Dinkler Hotel Co.*, 199 F.2d 854, 855 (5th Cir. 1952))). However, Singh did not challenge TES’s ability to argue res judicata in a motion to dismiss rather than in their response or a motion for summary judgment. *St. Paul Mercury Ins. Co. v. Williamson*, 224 F.3d 425, 445 (5th Cir. 2000) (arguments not raised are deemed abandoned). Therefore, we review the district court’s dismissal of Singh’s claims under the 12(b)(6) standard.

The res judicata effect of a prior judgment is a question of law that this court reviews de novo. *See Procter & Gamble Co. v. Amway Corp.*, 242 F.3d 539, 546 (5th Cir. 2001).

The rule of res judicata encompasses two separate but linked preclusive doctrines: (1) true res judicata or claim preclusion and (2) collateral estoppel or issue preclusion. *St. Paul Mercury Ins. Co. v. Williamson*, 224 F.3d 425, 436 (5th Cir. 2002) (internal citation omitted). Claim preclusion, or res judicata, bars the litigation of claims that either have been litigated or should have been raised in an earlier suit. *Petro-Hunt, L.L.C. v. United States*, 365 F.3d 385, 395 (5th Cir. 2004) (quoting *In re Southmark Corp.*, 163 F.3d 925, 934 (5th Cir. 1999)). The test for res judicata has four elements: (1) the parties are identical or in privity; (2) the judgment in the prior action was rendered by a court of competent jurisdiction; (3) the prior action was concluded by a final judgment on the merits; and (4) the same claim or cause of action was involved in both actions. *Id.* (citation omitted). In order to determine whether both suits involve the same cause of action, this Court uses the transactional test. *Id.* Under the transactional test, a prior judgment's preclusive effect extends to all rights of the plaintiff with respect to all or any part of the transaction, or series of connected transactions, out of which the original action arose. *Id.* at 395-96 (quotation marks and citations omitted). What grouping of facts constitutes a "transaction" or a "series of transactions" must be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin, or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties' expectations or business understanding or usage. *Id.* at 396 (quoting Restatement (Second) of Judgments § 24(2) (1982)). If a party can only

win the suit by convincing the court that the prior judgment was in error, the second suit is barred. *New York Life Insur. Co. v. Gillispie*, 203 F.3d 384, 387 (5th Cir. 2000). The critical issue is whether the two actions are based on the “same nucleus of operative facts.” *Id.*; see also *Davis v. Dallas Area Rapid Transit*, 383 F.3d 309 (5th Cir. 2004).

Singh asserts that res judicata does not preclude this litigation because *Testmasters I* and the current action involve different operative facts. He notes that all the claims at issue in this action arose from facts that occurred on or after May 2003, well after this court’s judgment in *Testmasters I*. See *Blair v. City of Greenville*, 649 F.2d 365, 368 (5th Cir. Unit A July 1981) (prior judgment does not bar suit based on acts of the defendant that occurred after the final judgment); *Lawlor v. Nat'l Screen Serv. Corp.*, 349 U.S. 322, 327-28 (1955) (same). TES counters that Singh’s present action is plainly foreclosed by res judicata because this action and *Test Masters I* are both based on Singh’s claimed rights to the trademark “TESTMASTERS” and Singh’s ability to preclude other confusing commercial uses. Moreover, TES argues that like the previous suit, Singh’s present claims are related directly or indirectly to the content and/or operation of TES’s testmasters.com website. *Testmasters I* resolved the issue of the ownership and use of the domain name testmasters.com in TES’s favor, therefore, TES urges this court to find that Singh is barred from relitigating the holding in *Testmasters I*.

The operative facts in the first action included: (1) Singh’s use and registration of the “TESTMASTERS” trademark, (2) TES’s use of the “Test Masters” mark and acquisition of rights to the testmasters.com domain name; and (3) Singh’s demand that TES relinquish the testmasters.com domain

name. Singh's current claims stem from his allegation that TES (1) posted statements on its website that it was "unfortunately" not holding classes in California thereby suggesting that TES had offered classes in California (TES has never done business in California, whereas California is Singh's main market); (2) falsely claimed that TES was offering classes in the markets outside of California where Testmasters was doing business; (3) created a phantom toll-free phone line for its LSAT classes; and (4) gave students inquiring about California LSAT courses the phone number of an unrelated software company called Testmasters. The district court acknowledged that there are distinctions between the factual scenario in this action and the prior action, however, the court stated that the distinctions are irrelevant. The district court relied on the fact that the "fact scenarios are certainly parallel" to find res judicata because in each case Singh attacked TES for its use of the testmasters.com website to infringe on Singh's trademark.

However, as we previously stated in *Petro-Hunt*, the district court's reliance on factual similarities to find res judicata is misplaced. *Petro-Hunt*, 365 F.3d at 396.

[O]bservations of factual similarity, although potentially relevant for purposes of collateral estoppel, are not relevant to res judicata. Collateral estoppel prevents parties from re-litigating the same issues conclusively determined between them in a previous action. Although similar in principle, true res judicata is concerned with a sameness of operative facts.

*Id.* (holding that a ruling in an action to quiet title in one property does not have res judicata effect on another action that raises the same legal issues and involves a similar type

of action against adjacent property). Although both actions involve potential customer confusion stemming from TES's website, the operative facts between the current litigation and the previous litigation are not the same. The current action does not involve the legitimacy of TES's use of the testmasters.com domain name, which was the central dispute in the previous litigation. Moreover, the nucleus of facts in the current action concerns allegations of intentional fraud and malice that did not occur at the time of the previous action. Singh's action is not estopped by res judicata or claim preclusion.

Although Singh may not be estopped under true res judicata, he still may be estopped under collateral estoppel. Collateral estoppel precludes a party from litigating an issue already raised in an earlier action between the same parties only if: (1) the issue at stake is identical to the one involved in the earlier action; (2) the issue was actually litigated in the prior action; and (3) the determination of the issue in the prior action was a necessary part of the judgment in that action. *Id.* at 397.

In *Testmasters I*, the critical issue before the court was whether the "TESTMASTERS" trademark had acquired secondary meaning. In the present case, Singh is requesting protection against unfair competition, infringement, and false and deceptive advertising, based on his central argument that his "TESTMASTERS" mark has now acquired secondary meaning.<sup>3</sup> The issues of law in both cases are

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<sup>3</sup> We should clarify that Singh is asserting that his mark has acquired a secondary meaning nationally. TES is asserting that this court found that it has rights to the mark within Texas and that Singh's mark has no secondary meaning.

incontrovertibly identical; nonetheless, Singh contends that collateral estoppel should not bar the current suit. He relies on this circuit's decision in *Texas Pig Stands, Inc. v. Hard Rock Café Int'l, Inc.*, 951 F.2d 684 (5th Cir. 1992), to argue that collateral estoppel should not bar a party from asserting in a subsequent litigation that a mark had acquired secondary meaning.

*Texas Pig Stands* involved litigation between two restaurant chains over the right to use the term "pig sandwich." Texas Pig Sandwich (TPS) and Hard Rock Café both sold barbecued pig meat sandwiches at their respective restaurants under the term "pig sandwich." *Id.* at 687. TPS, who owned a registration for the term "pig sandwich," brought suit contending that Hard Rock infringed on TPS's rights to the "pig sandwich" term. *Id.* at 688. A jury found that Hard Rock was guilty of deliberate infringement of TPS's mark. *Id.* at 689. Hard Rock appealed, asserting that TPS was collaterally estopped from claiming that "pig sandwich" was a valid trademark.

Hard Rock based its collateral estoppel argument on a 1930 Texas state court decision involving Pig Stands, Inc, the predecessor of TPS and original holder of the registration for the "pig sandwich" mark. *Id.* at 690. In the late 1920s, Pig Stands brought suit against Dixiepig Corporation to enjoin them from using the "pig sandwich," "Dixiepig Sandwich," or similar terms because Pig Stands argued that the use infringed on their trademark. *Id.* (citing *Dixiepig Corp. v. Pig Stand Co.*, 31 S.W.2d 325 (Tex. Civ. App. 1930)). The state court in *Dixiepig* held that Pig Stands could not appropriate the words "pig sandwich" because Pig Stands had failed to present evidence that showed "pig sandwich" had acquired a secondary meaning. *Id.* Hard Rock argued

that because Pig Stands could not appropriate the term "pig sandwich" in 1930, TPS cannot appropriate the term "pig sandwich" in 1990. *Id.*

We disagreed. The *Texas Pig Stands* court held that there was valid evidence for the jury to find that "pig sandwich" had acquired secondary meaning. *Id.* The court further stated that "*Dixiepig* arguably stands for the proposition that 'pig sandwich' is a descriptive term that did not have secondary meaning *at that time*. *Dixiepig*, therefore, would not finally determine Pig Stand's claim to ownership [of the trademark], because the term could eventually acquire a secondary meaning." *Id.* (emphasis added). *Texas Pig Stands* relied in part on this court's decision in *Continental Motors Corp. v. Continental Aviation Corp.*, 375 F.2d 857, 862 (5th Cir. 1967), which held that in the interim between initiation of that action and a prior decision on the same question, the mark at issue had acquired secondary meaning because of "change in economic fact," which had created in the public mind an image of the mark as associated with its source.

TES counters that cases which have allowed the re-litigation of secondary meaning as a narrow exception to res judicata have only done so because secondary meaning had evolved over a *significant* period of time. In addition, TES argues that Singh's new evidence is simply evidence of an increased marketing campaign, and Singh should not be able to "spend his way out from under the original judgment."

The issue of whether res judicata bars re-litigating the issue of secondary meaning here is a difficult one. There are no cases which expressly demarcate a minimum time that must elapse before a defendant can re-litigate the issue of

secondary meaning. See *Tex. Pig Stands*, 951 F.2d at 693; see also *Cont'l Motors Corp.*, 375 F.2d at 862; *Flowers Ind., Inc. v. Interstate Brands Corp.*, 5 U.S.P.Q.2d 1580 (T.T.A.B. 1987); *In re Honeywell, Inc.*, 8 U.S.P.Q.2s 1600 (T.T.A.B. 1988).<sup>4</sup> On the other hand, we sympathize with the district court's assertion that public policy should counsel in favor of barring further litigation related to the "TESTMASTERS" mark because of the onerous burden placed on the court and the parties in constantly re-litigating this matter. It is well established that "public policy dictates that there be an end of litigation; that those who have contested an issue shall be bound by the result of the contest, and that matters once tried shall be considered forever settled as between the parties." *Federated Dept. Stores, Inc. v. Moitie*, 452 U.S. 394, 401

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<sup>4</sup> The parties do not even agree on the time period that has elapsed between the prior finding of no secondary meaning and the initiation of this action. TES notes that only *two days* passed between this court's decision in *Testmasters I* and Singh's re-application for a federal trademark. TES also observes that the PTO canceled Singh's registration in March 2003 and that decision also has preclusive effect. TES contends that Singh's mark could not have developed a secondary meaning in the *three months* between March 2003 and the initiation of this suit in June 2003. Singh claims that the evidence of secondary meaning in the 2001 trial was limited to pre-1995 data because the question before the jury was whether the TESTMASTERS mark had acquired secondary meaning prior to TES's first use. He contends that he can establish that his mark has developed secondary meaning in the *ten years* since 1995. However, even if the court found that the first action was not limited to pre-1995 evidence, he asserts that he can establish that there has been such phenomenal growth in the TESTMASTERS mark in the *eighteen months* between the end of the jury trial and his second application for trademark registration that secondary meaning has developed in that short period of time.

(1981) (citation omitted). The “doctrine of res judicata is not a mere matter of practice or procedure inherited from a more technical time than ours. It is a rule of fundamental and substantial justice, ‘of public policy and of private peace,’ which should be cordially regarded and enforced by the courts.” *Id.* Moreover, we find it troubling that Singh chose to file another application for registration of the “TESTMASTERS” mark two days after this court ordered that the district court enter an order that Singh’s trademark is invalid.

We look again at this court’s rulings in *Texas Pig Stands* and *Continental Motors* to determine whether re-litigation of secondary meaning is appropriate here. Upon close review of those opinions and the pleadings in this case, we conclude that our prior cases do not support allowing Singh to re-litigate his claim. The court in *Texas Pig Stands* based its holding, that collateral estoppel did not bar the action at issue, on the intervening factual changes that had occurred and that had altered the basis for the earlier judgment. See 95 F.2d at 691 (citing 1B J. Moore, J. Lucas & T. Currier, *Moore’s Federal Practice* § 0.448 (1988)). Specifically, the court found:

that over *sixty-five* years of proliferation of Pig Stands and ‘The Sign of the Pig’ throughout the country has led the consuming public automatically to associate the term ‘pig sandwich’ with TPS. While ‘pig sandwich’ may not have had a secondary meaning in 1930, a crucial decision of *Dixiepig* case, the jury finding to the contrary *sixty years* later affirms that a factual change has perhaps altered the basis upon which *Dixiepig* depended.

*Id.* at 691 (emphasis added). Similarly, the court in *Continental Motors* held that the passage of time had altered the basis for a prior decision that found that "Continental" did not have secondary meaning.

That it is an 'old' case does not, of course, deprive it of force. But as with waters over the dam, there has been much trade in marks since it was announced. One thing, of course, is this dynamic developing field of law. More important, the continuing vitality of this pronouncement has been substantially, if not entirely, sapped by events of the business world. . . . Time, tide, and the relentless movement of the copywriter's pen makes what we once said no longer controlling, not so much from change in the law, but from change in economic fact. Not the least of these is the restless, undulating habits of our air-minded, air-traveling public, many of whom for sport, or pleasure, or business, or an areonautical [sic] combination of them, hop across the nation relying, as they must, on dependable service at airports small and large.

*Cont'l Motors*, 375 F.2d at 862. Neither opinion states that sixty years must pass before the issue of secondary meaning is ripe for re-litigation. However, it is clear from the text that collateral estoppel did not bar the claims at issue because after a significant amount of time had passed an intervening factual change had occurred. For example, in *Continental Motors*, the court held that whether "Continental" could acquire secondary meaning was ripe for adjudication because in the sixty-seven years since the court's 1900 decision to the contrary,<sup>5</sup> the issue had been

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<sup>5</sup> *Cont'l Ins. Co. v. Cont'l Fire Ass'n*, 101 F. 255 (5th Cir. 1900).

affected by the proliferation of commercial flight. We are not holding that a number of decades must pass before the issue of secondary meaning for a particular mark may be re-litigated or that the intervening factual change has to be something as significant as the proliferation of commercial flight. The case law has not developed, and we do not today decide, precise time contours for the re-litigation of secondary meaning. The determination of whether a mark has secondary meaning depends on dynamic factual scenarios that will necessarily vary from case to case. The thrust of our holding is that Singh has not alleged in his pleadings any significant intervening factual change. Singh's evidence of "dramatic" growth in his business and "skyrocket[ing]" revenues is not sufficient to justify re-litigation of the issue of secondary meaning in his mark.<sup>6</sup>

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<sup>6</sup> Our conclusion that Texas Pig Stands and Continental Motors do not support re-litigation of the issue of secondary meaning is bolstered by the fact that both cases involved third parties who were not parties to the original action; thus, both cases involved the application (or not) of non-mutual collateral estoppel. The instant case, however, involves the application of mutual collateral estoppel, which is subject to fewer and more narrow exceptions than non-mutual collateral estoppel. Compare Restatement (Second) of Judgments § 28 (listing five exceptions to the general rule of issue preclusion) with Restatement (Second) of Judgments § 29 (listing eight additional considerations where the subsequent litigation involves someone not party to the original suit).

We also observe that Singh has not sought relief from the judgment under Rule 60(b)(5) of the Federal Rules of Civil Procedure. See generally *Rufo v. Inmates of Suffolk County Jail*, 502 U.S. 367, 378-382 (1992) (explaining that Rule 60(b)(5) allows a party to obtain relief from a final judgment where it is no longer equitable that the judgment apply prospectively). Because

At present, Singh's "TESTMASTERS" mark is more similar to the "pig sandwich" term in *Dixiepig* than the same "pig sandwich" that was found to have secondary meaning in *Texas Pig Stands*. The court in *Texas Pig Stands* observed that at the time of the *Dixiepig* litigation, the Pig Stand restaurants had only been in inception for a couple of years – although the court also stated that in its early years the Pig Stand restaurants enjoyed considerable success, opening up 100 restaurants across the country. 951 F.2d at 688. Despite the success of the "pig sandwich" it had not yet achieved a secondary meaning in the minds of the relevant public. Years later all but nine restaurants had closed. *Id.* at 688 n.3. The fact that the restaurant chain no longer enjoyed the significant success of its early years was irrelevant because the critical question was "'the primary significance of the term in the minds of the consuming public' of the relevant geographical market." *Id.* at 692-93 (emphasis added). Over the course of sixty years, the consuming public in the relevant geographic market had come to "automatically" associate "pig sandwich" with the Pig Stand restaurants. *Id.*

Here, although Singh has presented evidence that his Testmasters company has become more successful since the prior judgment, that success is not dispositive of the question of secondary meaning. He has alleged no set of facts that would suggest that there has been a change in the minds of the public in the relevant geographic area<sup>7</sup> such that they

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of our holding in part II of this opinion, we need not and do not determine whether avoidance of the prospective effects of mutual collateral estoppel in this context requires a party in Singh's position to proceed under Rule 60(b)(5). Moreover, Singh's allegations in his new suit do not state a basis for such relief.

<sup>7</sup> Here, the relevant geographic area is the entire nation since he is alleging that his TESTMASTERS mark has acquired secondary

could immediately associate the "TESTMASTERS" mark with his test preparation corporation. Because he has not alleged a significant intervening factual change, we find that our previous holding bars Singh's current claim. Singh's common law and federal statutory claims for trademark protection are fatally intermixed with the issue of secondary meaning. *See Wal-Mart Stores*, 529 U.S. at 211; 2 *McCarthy* §§ 15:11 and 23:1. Because we have previously held that Singh's mark has no secondary meaning, the district court was correct in granting TES's motion to dismiss Singh's federal statutory and state common-law infringement claims.<sup>8</sup>

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meaning nationwide, and not just in his primary market of California. Thus, to acquire secondary meaning he would have to show that the American public would associate the "TESTMASTERS" mark with his company, a substantial burden of proof indeed.

<sup>8</sup> Singh also appeals from the district court's decision to deny his motion to amend his complaint to add additional claims. The grant or denial of a leave to amend is reviewed on appeal for abuse of discretion. *Dussouy v. Gulf Coast Inv. Corp.*, 660 F.2d 594, 597 (5th Cir. Nov. 1981). While it is true that Fed. R. Civ. P. 15(a) requires a trial court "to grant leave to amend 'freely,'" *id.*, we have also recognized that decisions concerning motions to amend are "entrusted to the sound discretion of the district court." *Quintanilla v. Tex. Television, Inc.*, 139 F.3d 494, 499 (5th Cir. 1998). A court may deny a motion for leave to amend if there is undue delay, bad faith or dilatory motive, undue prejudice or futility of the amendment. *Dussouy*, 660 F.2d at 597. Upon independent review of the record, we find that the district court did not abuse its discretion in denying Singh's motion to amend. We therefore affirm the district court's ruling.

### B. The Permanent Injunction

Singh also appeals from the district court's permanent injunction order issued on September 17, 2004. We review the district court's grant or denial of a permanent injunction for abuse of discretion. *Peaches Entm't Corp. v. Entm't Repertoire Assoc.*, 62 F.3d 690, 693 (5th Cir. 1995). The trial court abuses its discretion if it: (1) relies on clearly erroneous factual findings when deciding to grant or deny the permanent injunction, (2) relies on erroneous conclusions of law when deciding to grant or deny the permanent injunction, or (3) misapplies the factual or legal conclusions when fashioning its injunctive relief. *Id.*

The district court issued an injunctive order that served to clarify and add to the injunction order issued on July 14, 2003. The September 17th injunction (1) permanently enjoined Singh from pursuing registration of the "Testmasters" or "Test Masters" marks in the PTO; (2) mandated that Singh withdraw his current application pending before the PTO, and permanently enjoined him from resiling such application, "unless this order is specifically reversed or withdrawn"; (3) permanently enjoined Singh from interfering with or opposing TES's registration of the "Testmasters" or "Test Masters" marks with the PTO; (4) permanently enjoined Singh from using the marks or any confusingly similar marks within Texas or directed at Texas, including but not limited to uses via the Internet; and (5) enjoined Singh from communicating directly with, threatening, or harassing Test Masters Educational Services, Inc., its employees, its staff, or TES's counsel, counsel's employees, or counsel's staff.

Singh asserts that the district court entered its order without findings of fact or conclusions of law in violation of Federal Rule of Civil Procedure 65(d) and Rule 52(a), which, he contends, requires this court to vacate the injunction on appeal. In issuing its order, the district court stated that Singh had "only made a half-hearted effort to comply with" the July 14, 2003 injunction order, and the court believed that Singh had only made an effort to comply after TES filed its motion for contempt. The district court also found that "Singh made an insincere effort to remedy the fact that he had applied for the mark and interfered with TES's registration of its mark by seeking a 'suspension' of his application, instead of withdrawing it entirely," also in violation of the court's prior judgment and the July 14th injunction. Even though *Testmasters I* ordered the district court to enter an order that Singh's trademark is invalid, the court found that Singh continued to "use[] the registered mark on his website." The district court also found that Singh "allowed a TestMasters sign to be posted by the [Texas] Hilton," despite the court's order in the prior action that Singh refrain from using the TESTMASTERS mark in Texas because TES had the exclusive rights to the mark in Texas. The district court's injunction order was preceded by an extensive discussion detailing factual allegations, asserted by TES, and describing evidence of harassment by Singh and Testmasters agents. These findings could support the district court's injunction order. Nonetheless, when the district court does not make any express findings of fact or conclusions of law supporting the injunction, as required by Federal Rule of Civil Procedure 65(d), its "failure to do so does not require that the injunction be reversed or vacated." *Prof'l Ass'n of College Educators, TSTA/NEA v. El Paso County*, 730 F.2d 258, 273 (5th Cir. 1984). It does call on us to examine the record to determine if sufficient evidence supports the

issuance of injunctive relief. *Id.* (citation omitted); *White v. Carlucci*, 862 F.2d 1209, 1210-11 n.1 (5th Cir. 1989).

District courts can enter injunctions as a means to enforce prior judgments. See *Santopadre v. Pelican Homestead & Sav. Assoc.*, 937 F.2d 268 (5th Cir. 1991). In *Testmasters I*, we held that TES's motion for judgment as a matter of law should have been granted because Singh had not sustained his burden of proving secondary meaning. We also remanded the action to the district court for entry of an order that Singh's trademark is invalid. In order to enforce this court's prior judgment, it was within the district court's discretionary power to issue an injunction prohibiting Singh from pursuing registration of the "Testmasters" or "Test Masters" marks in the PTO, mandating that Singh withdraw his current application pending before the PTO, and enjoining him from refiling such application.<sup>9</sup> Singh defiantly re-applied for a federal trademark registration despite our holding two days earlier that his trademark was invalid. In addition, two years later, Singh has not yet completely withdrawn his application pending before the

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<sup>9</sup> We join our sister circuit in rejecting Singh's argument that prohibiting him from registering a mark with the PTO violates his first amendment rights. *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1374 (Fed. Cir. 1994) (citing *In re McGinley*, 660 F.2d 481, 484 (U.C.C.P.A. 1981) ("With respect to appellant's First Amendment rights, it is clear that the PTO's refusal to register appellant's mark does not affect his right to use it. No conduct is proscribed, and no tangible form of expression is suppressed. Consequently, appellant's First Amendment rights would not be abridged by the refusal to register his mark.")).

PTO. The district court's injunction order thus served to effectuate this court's judgment in *Testmasters I*.<sup>10</sup>

The district court also enjoined Singh from interfering with or opposing TES's registration of the "Testmasters" or "Test Masters" marks with the PTO, and from using the marks or any confusingly similar marks within Texas or directed at Texas, including but not limited to uses via the Internet. At the conclusion of the jury trial in the prior action, the district court issued an order instructing the director of the PTO to modify Singh's trademark registration to confer in TES the exclusive right to use its mark within Texas. The order was issued in accordance with the jury's finding that TES was an innocent prior user of the TESTMASTERS mark in Texas. We did not reverse that order on appeal. Pursuant to the district court's order and the jury's findings in *Testmasters I*, TES may assert rights in the TESTMASTERS mark in the state of Texas. *Tex. Pig Stands*, 951 F.2d at 692-93 (citing *Sheila's Shine Prod., Inc. v. Sheila Shine, Inc.*, 486 F.2d 114, 124 (5th Cir. 1973) (holding that a state is an appropriate territory by which to define trade areas when two parties are competing over the right to use the same mark)). In order to enforce that prior judgment, the district court had the power to enjoin Singh from interfering with TES's registration of the mark for use within Texas, and to enjoin Singh from using similar marks within Texas. However, injunctions must be narrowly drawn and precise. *Brown v. Petrolite Corp.*, 965 F.2d 38, 51 (5th Cir. 1992). The prior action did

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<sup>10</sup> It is not the case that Singh is enjoined from ever registering his "TESTMASTERS" mark again, which is made clear by the district court's caveat that Singh is enjoined from re-filing his current application with the PTO until the district court's order is reversed or withdrawn.

not address the extent of TES's trademark rights outside of Texas and TES has established no rights to the mark outside of Texas. The district court's injunction erred in not circumscribing its order to only enjoin Singh from opposing or interfering with TES's right to the mark within Texas.

Finally, the district court's injunction order enjoined Singh from communicating directly with, threatening, or harassing Test Masters Educational Services, Inc., its employees, its staff, or TES's counsel, counsel's employees, or counsel's staff. The district court's injunction was prompted by allegations from TES that Singh and his employees had called TES dozens of times a day, including seventy-one times on one day in May 2003. TES alleged that the calls included the screaming of obscenities. TES also claims that Singh's counsel, Sharon Naim, contacted TES's president, Roger Israni, and threatened to file suit against TES in other states. TES taped the phone conversation and offered it as evidence that Singh had Naim call Israni directly, which is against the rules of professional conduct for lawyers. TES avers that another person acting on behalf of Singh called the accounting department of TES's counsel, pretended to be a TES staff member, and obtained billing and insurance information about TES. TES also recorded a conversation with another of Singh's counsel who called TES offices in August 2003, pretending to be a student in order to gain information about TES. TES contends that it has a recording of that conversation. Finally, TES alleges that Singh sent a letter to TES's insurer, informing the insurer that it should not cover TES's costs should TES lose in court. In addition, TES's counsel and Singh did engage in a verbal and physical altercation in the hallway outside the district courtroom in California after TES's counsel accused Singh of verbally and physically threatening them. Singh denies threatening TES's

counsel. The district court in California had to order the parties and their counsels to go straight from the courtroom to their cars and threatened them with jail time if another incident occurred.

Prior restraints are “administrative and judicial orders forbidding certain communications when issued in advance of the time that such communications are to occur.” *Alexander v. United States*, 509 U.S. 544, 550 (1993). The district court’s order enjoining Singh from having any future communication with the specified persons was a prior restraint. Any system of prior restraints on communication bears a heavy presumption against its constitutional validity. *Bantam Books, Inc. v. Sullivan*, 372 U.S. 58, 70 (1963) (quotation marks omitted). Prior restraints are unconstitutional limitations on free speech except in exceptional circumstances. *Near v. Minnesota*, 283 U.S. 697, 716 (1931).

The district court prohibited Singh from “communicating directly with . . . TES employees, staff or TES’s counsel, counsel’s employees, or counsel’s staff.” To quote selectively from the district court, the court found that the parties had demonstrated an “immaturity” and “mean-spirited[ness],” and that Singh was pursuing “vexatious litigation.” However, despite the perhaps need of these parties to never speak again, the court did not detail, and the record does not reflect, any “exceptional circumstances” to justify permanently enjoining Singh from generally communicating with TES, TES’s counsel and their staff and employees. The district court’s order enjoining Singh from communicating with TES employees, TES’s counsel, and its counsel’s employees was a prior restraint limiting Singh’s first amendment rights, and because the injunction order is

not supported by exceptional circumstances, it is an unconstitutional restraint on Singh's free speech rights. *See id.*

Courts have made a distinction between communication and harassment. *See, e.g., Giboney v. Empire Storage & Ice Co.*, 336 U.S. 490, 502 (1949). The difference is one between free speech and conduct that may be proscribed. *See e.g., R.A.V. v. City of St. Paul*, 505 U.S. 377, 389 (1992). Although restrictions based upon conduct may incidentally restrict speech, the courts have found that such a restriction poses only a minimal burden on speech. *See, e.g., id.; see also Gormley v. Director*, 632 F.2d 928, 941-42 (2d Cir. 1980); *Thorne v. Bailey*, 846 F.2d 241, 243 (4th Cir. 1988). Thus, courts do have the power to enjoin harassing communication. *Lewis v. S. S. Baune*, 534 F.2d 1115, 1122 (5th Cir. 1976) (citations omitted). Courts also have the power to enjoin repeated invasions of privacy. *Id.* The cantankerous relationship between these parties is clearly evident from the record in this case. There is enough evidence presented in the record to justify an injunction order prohibiting Singh from threatening or harassing TES, its employees, its staff, TES's counsel, counsel's employees, or counsel's staff. However, the injunction here went beyond enjoining harassing and threatening conduct. The district court's order swept too broadly when it prohibited all communication between Singh and TES employees, staff or TES's counsel, counsel's employees or counsel's staff. We do not read the district court's order as an absolute bar to legitimate communications through the parties' counsels and we leave to the district court on remand to delineate the parameters of such communication.

For the foregoing reasons, we vacate the district court's injunction order insofar as it enjoins Singh from opposing or interfering with TES's contention that it has rights to the TESTMASTERS mark outside of the state of Texas, and insofar as the order enjoins Singh from engaging in any communications with TES, its counsel, and their employees. We remand this case back to the district court with instructions to modify the injunction consistent with this opinion.

### C. The Parties' Remaining Claims

The remaining claims are: TES's appeal from the district court's denial of its motion to hold Singh in contempt and motion for sanctions; Singh's motion to strike Judge Gilmore's language in the injunction order; and Singh's request for a remand with orders from us to assign this case to a different judge.

Singh takes issue with the district court's statement that, "Defendant Robin Singh's filing of numerous actions across the country, while arguably based on different facts and involving different parties, seems to this Court to be a part of Mr. Singh's campaign of terror." Singh complained that the "campaign of terror" phrase in essence labeled him a terrorist, to which he is particularly sensitive because he is Sikh. In a later order denying Singh's motion to reconsider and/or modify the September 17, 2004 contempt order, the district court clarified its "campaign of terror" statement by referring to Webster's dictionary definition of terror, "one that [is] annoying or difficult to manage, esp. a child : NUISANCE." Singh also objects to the district court's statement that "the courts should not have to be a part of such obviously vexatious litigation." Singh contends that the

district court's statements demonstrated pre-judgment concerning the merits of, and motivations for, the legal positions he puts forth. Singh also asserts that the order is harmful to his reputation and livelihood because it was forwarded to other courts in which he is adjudicating similar claims. *See supra*, n. 1.

Courts of appeals have the authority to remand a case back to the district courts with instructions to assign the case to a different judge. *In re DaimlerChrysler Corp.*, 294 F.3d 697, 700 (5th Cir. 2002). However, it is an "extraordinary" power that should be rarely exercised. *Id.*

"[J]udicial rulings alone almost never constitute a valid basis" for finding bias or partiality. *Litkey v. United States*, 510 U.S. 540, 555 (1994) (citation omitted). The Supreme Court has held that judicial rulings, in and of themselves, "can only in the rarest circumstances evidence the degree of favoritism or antagonism required" to warrant recusal. *Id.* Moreover, the

opinions formed by the judge on the basis of facts introduced or events occurring in the course of the current proceedings, or of prior proceedings, do not constitute a basis for a bias or partiality motion unless they display a deep-seated favoritism or antagonism that would make fair judgment impossible. Thus, judicial remarks during the course of a trial that are critical or disapproving of, or even hostile to, counsel, the parties, or their cases, ordinarily do not support a bias or partiality challenge.

*Id.* The Court went on to affirm that "expressions of impatience, dissatisfaction, annoyance, and even anger, [] are within the bounds of what imperfect men and women, even

after having been confirmed as federal judges, sometimes display. A judge's ordinary efforts at courtroom administration – even a stern and short-tempered judge's ordinary efforts at courtroom administration – remain immune." *Id.* at 555-56.

In reviewing the substantial record that has accumulated over the course of these parties' long litigious relationship, it is easy to see how any district court might become exasperated with both parties. But, we find nothing in the record that would lead an objective person to view Judge Gilmore's conduct as giving rise to the appearance of impropriety, requiring the assignment of a different judge, nor do we find that the isolated comments cited by Singh require being stricken from the district court's order.

While Singh complains that Judge Gilmore was too harsh towards him, TES argues that Judge Gilmore usurped her responsibilities by not being harsh enough. TES claims that the district court erred in denying its motion to hold Singh in contempt and motion for sanctions. TES contends that Singh has interfered with its ability to try to register the "Test Masters" mark with the PTO, in violation of the July 14, 2003 injunction, because TES cannot proceed in the PTO until Singh's application is withdrawn. TES also maintains that when Singh held classes at the University of Houston Hilton it advertised itself as "Testmasters," and Singh continues to advertise as "Testmasters" on specific webpages targeted at law schools in Texas–both actions violate the injunction order. As evidence of Singh's violation of the court order, TES offered the declaration of a private investigator, who provided photos of the Testmasters sign at the University of Houston Hilton and a handwritten note

from the instructor that had Singh's testmaster180.com website address.

A district court's refusal to hold a party in civil contempt is reviewed under the abuse of discretion standard. *Neely v. City of Grenada*, 799 F.2d 203, 207 (5th Cir. 1986). "A movant in a civil contempt proceeding bears the burden of establishing by clear and convincing evidence 1) that a court order was in effect, 2) that the order required certain conduct by the respondent, and 3) that the respondent failed to comply with the court's order." *Martin v. Trinity Indus., Inc.*, 959 F.2d 45, 47 (5th Cir. 1992); *Piggly Wiggly Clarksville, Inc. v. Mrs. Baird's Bakeries*, 177 F.3d 380, 383 (5th Cir. 1999) (citation omitted). The evidence must be "so clear, direct and weighty and convincing as to enable the fact finder to come to a clear conviction, without hesitancy, of the truth of the precise facts' of the case." *Piggly Wiggly*, 177 F.3d at 383 (citation omitted).

Upon a finding of contempt, the district court has broad discretion in assessing sanctions to protect the sanctity of its decrees and the legal process. *See Am. Airlines, Inc. v. Allied Pilots Ass'n*, 228 F.3d 574, 585 (5th Cir. 2000). A district court's imposition or denial of sanctions is reviewed under the abuse of discretion standard. *Mercury Air Group, Inc. v. Mansour*, 237 F.3d 542, 548-49 (5th Cir. 2001).

We have reviewed the record, the parties' arguments, and the district court's order in this case, and we do not find that the district court abused its discretion in refusing to hold Singh in contempt or in refusing to impose sanctions. Singh presented numerous documents and affidavits to defend his actions as either honest mistakes or outside the bounds of the injunction order. Although, the district court expressed

doubts about the sincerity of Singh's compliance with the injunction order, the court was not moved by clear and convincing evidence and did not find Singh's behavior contemptuous. We do not find the district court's view of the evidence to be clearly erroneous. "The imposition or denial of sanctions of necessity involves a fact-intensive inquiry into the circumstances surrounding the activity that is the subject of sanctions." *Thomas v. Capital Sec. Serv., Inc.*, 836 F.2d 866, 873 (5th Cir. 1988). "The trial judge is in the best position to review the factual circumstances and render an informed judgment as he is intimately involved with the case, the litigants, and the attorneys on a daily basis." *Id.* "We can perceive of no advantage that would result if this Court were to conduct a second-hand review of the facts from the trial court level, as 'the district court will have a better grasp of what is acceptable trial-level practice among litigating members of the bar than will appellate judges.'" *Id.* (citation omitted). We therefore affirm the district court's denial of TES's motion to hold Singh in contempt and motion for sanctions.

After the case was submitted to the panel, both TES and Singh filed motions to supplement the record. Both parties' motions are denied.

### III. CONCLUSION

For the foregoing reasons, we VACATE the district court's injunction order insofar as it enjoins Singh from opposing TES's assertion that it has rights to the TESTMASTERS mark outside of the state of Texas, and insofar as the order enjoins Singh from engaging in any communications with TES, its counsel and their staff. We REMAND this case back to the district court with instructions to modify the

injunction consistent with this opinion. The district court's grant of TES's motion to dismiss, and the denial of TES's motion to hold Singh in contempt, and for sanctions, is AFFIRMED.

AFFIRMED in part, VACATED in part, and REMANDED.

**Appendix B**

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT**

**No. 03-20787**

**Filed November 16, 2005**

**TEST MASTERS EDUCATIONAL SERVICES INC;  
VIVEK ISRANI, Plaintiffs - Appellees**

v.

**ROBIN SINGH, doing business as Testmasters,  
Defendant - Appellant**

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**Consolidated With Case No. 04-20861**

**ROBIN SINGH EDUCATIONAL SERVICES INC, a  
California Corporation, doing business as Testmasters,  
Plaintiff - Appellant-Cross-Appellee**

v.

**TEST MASTERS EDUCATIONAL SERVICES INC, a  
Texas Corporation, Defendant - Appellee-Cross-Appellant**

**VIVEK ISRANI, Defendant - Appellee**

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**TEST MASTERS EDUCATIONAL SERVICES INC,  
Plaintiff - Appellee-Cross-Appellant**

**VIVEK ISRANI, Plaintiff - Appellee**

v.

**ROBIN SINGH, Defendant - Appellant-Cross-Appellee**

Consolidated With Case No. 05-20048

TEST MASTERS EDUCATIONAL SERVICES INC,  
Plaintiff - Appellant

v.

ROBIN SINGH, doing business as Testmasters,  
Defendant - Appellee

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ROBIN SINGH, doing business as Testmasters, Plaintiff  
- Appellee

v.

TEST MASTERS EDUCATIONAL SERVICES INC;  
ET AL, Defendants

TEST MASTERS EDUCATIONAL SERVICES INC,  
Defendant - Appellant

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ROBIN SINGH EDUCATIONAL SERVICES INC, a  
California Corporation, doing business as Testmasters,  
Plaintiff - Appellee

v.

TEST MASTERS EDUCATIONAL SERVICES INC, a  
Texas Corporation, Defendant

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Appeals from the United States District Court for the  
Southern District of Texas, Houston

ON PETITION FOR REHEARING EN BANC

(Opinion 10/18/05, 5 Cir., \_\_\_, \_\_\_ F.3d \_\_\_)

Before GARWOOD, JONES, and STEWART, Circuit Judges.

PER CURIAM:

(X) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. No member of the panel nor judge in regular active service of the court having requested that the court be polled on Rehearing En Banc (FED. R. APP. P. and 5TH CIR. R. 35), the Petition for Rehearing En Banc is DENIED.

( ) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. The court having been polled at the request of one of the members of the court and a majority of the judges who are in regular active service not having voted in favor (FED. R. APP. P. and 5TH CIR. R. 35), the Petition for Rehearing En Banc is DENIED.

ENTERED FOR THE COURT:

Carl E. Stewart /s/  
United States Circuit Judge

**Appendix C**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**ROBIN SINGH EDUCATIONAL SERVICES INC.**

**versus**

**TEST MASTERS EDUCATIONAL SERVICES, INC.**

**Civil Action No. H-03-3348  
Entered October 7, 2004**

**AMENDED ORDER**

On September 16, 2004, the Court issued an Order (Instrument No. 196) granting Defendant TestMasters Educational Services, Inc.'s Renewed Motion to Dismiss for *Res Judicata* (Instrument No. 118). In this Order, the Court did not consider anything outside of the pleadings. It is, therefore, determined that a conversion of the motion to a motion for summary judgment was entirely unnecessary, and the Court reissues this Amended Order for the limited purpose of clarifying that the Court's finding was made pursuant to the standard that applies to a motion to dismiss and not to a motion for summary judgment.

**I.**

Plaintiff Robin Singh Educational Services, Inc. ("Singh") and Defendant Test Masters Educational Services, Inc. ("TES") both operate test preparation businesses using the

name "Testmasters."<sup>1</sup> (Instrument No. 59, at 1). Singh began operation in California in 1991, offering preparation classes for the LSAT. (Instrument No. 125, at 3). TES began operation in Texas in 1992, offering preparation classes primarily for the SAT. (*Id.*). Neither party learned of the other until 1999. (*Id.*).

#### A.

In 1995, Singh sought a federal registration for the name "Testmasters," and received trademark registration from the United States Patent and Trademark Office ("PTO" in March of 1999. (Instrument No. 59, at 1; Instrument No. 125, at 3). Singh states that, in 1999, he "learned that TES had registered but not yet actively used the internet domain name [www.testmasters.com](http://www.testmasters.com)." (Instrument No. 125, at 3). In August 1999, Singh threatened to sue TES because TES's registration and potential use of the domain name allegedly violated Singh's federal trademark rights in the TESTMASTERS mark. (Instrument No. 59, at 1; Instrument No. 125, at 3).

On August 30, 1999, TES filed suit, seeking a declaration of non-infringement from this Court ("the 1999 case"). (99-CV-2781, Instrument No. 228, at 4).<sup>2</sup> In the alternative, TES sought a ruling that Singh's mark was "invalid for being descriptive without a secondary meaning and for Singh's having committed fraud on the PTO." (*Id.*). On June 30, 2000, Singh brought a separate action against TES, alleging

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<sup>1</sup> In the interest of accuracy, Plaintiff uses the name "TestMasters," and Defendant uses the name "Test Masters."

<sup>2</sup> References to documents filed under cause number 99-CV-2781 will be designated as such in their citations. All other document citations refer to filings under cause number 03-CV-3348.

infringement and unfair competition under California law. (*Id.*). In answer to these claims, TES asserted the defense of innocent prior use of the TESTMASTERS mark. (*Id.*). The two suits were consolidated under cause number 99-CV-2781 on July 20, 2000 in the Southern District of Texas (Instrument No. 63) and went to trial in Houston in February 2001. (*Id.*, at 4).

Eleven questions went to the jury in the 1999 case, regarding three basic inquiries: (1) whether TESTMASTERS was a descriptive mark; (2) whether Singh's use of the mark had acquired secondary meaning by the time of TES's first use of the mark; and (3) whether TES could prove its affirmative defense of innocent prior use. (*Id.*, at 4). The jury found that TESTMASTERS was a descriptive mark and that it had acquired secondary meaning in connection with Singh's services. (*Id.*). The jury also found that, though TES had infringed the mark, it was not subject to liability because it was an innocent prior user. (*Id.*). This Court issued an order granting judgment for Singh on its unfair competition claim, on the basis of the jury finding that the mark had acquired secondary meaning. (*Id.*). The Court also ordered TES to transfer the website domain name to Singh. (*Id.*). Both parties appealed to the Fifth Circuit. (*Id.*).

On July 24, 2002, the Fifth Circuit held that Singh had failed to substantiate his trademark and remanded to this Court to enter an order directing the PTO to cancel Singh's registration. (Instrument No. 59, at 2). Two days later, on July 26, 2002, Singh applied for a new TESTMASTERS trademark with the PTO. (Instrument No. 59, at 2). On September 5, 2002, this Court entered an Order denying Singh all relief, in compliance with the Fifth Circuit's mandate. (Instrument No. 59, at 2). The Order vacated the

judgment for Singh and the order to transfer the domain name. (Instrument No. 125, at 5). The Order also declared Singh's 1999 federal registration of its mark invalid. (*Id.*).

On September 19, 2002, TES filed an application for attorneys' fees in the 1999 case and sought an injunction from the Court to "uphold *res judicata* and preclude relitigation." (99-CV-2781, Instruments No. 229,230). On July 11, 2003, the Court issued an Order granting the motion for injunctive relief. (99-CV-2781, Instrument No. 241). The Order permanently enjoined Singh from pursuing registration of the TESTMASTERS mark in the PTO, permanently enjoined Singh from interfering with or opposing TES's registration of the mark in the PTO, and permanently enjoined Singh from using the mark, or any similar mark, within the State of Texas or directed at the State of Texas. (Instrument No. 125, at 5). Singh appealed on August 6, 2003. (99-CV-2781, Instrument No. 247). The appeal remains pending.

## B.

Meanwhile, on June 23, 2003 – prior to his August 6, 2003 appeal in the 1999 case – Singh brought a new suit ("the current case") against TES in the Central District of California. (Instrument No. 1). In the current case, Singh alleges unfair competition, false designation of origin, and deceptive advertising, all pursuant to 15 U.S.C. §1125(a)(1)(A); false advertising, pursuant to 15 U.S.C. §1125(a)(1)(B); and infringement of a registered trademark under California law, pursuant to California Business and Professional Code §14320. (Instrument No. 1, at 2 1-24).

TES filed its Motion to Dismiss for *Res Judicata* in the Central District of California, on July 14, 2003. (Instrument No. 59). On August 13, 2003, the district court for the Central District of California transferred the current case to this Court and dismissed without prejudice TES's original Motion to Dismiss for *Res Judicata*. (Instrument No. 112).

### C.

On September 10, 2003, TES filed its Renewed Motion to Dismiss for *Res Judicata* in this Court. (Instrument No. 118). The motion incorporates TES's original motion to dismiss that was filed on July 15, 2003, before the case was transferred to this district. (Instrument No. 59). TES moves for dismissal pursuant to Federal Rule of Civil Procedure 12(b)(6), arguing that Singh's newly filed claims are barred by the doctrine of *res judicata* and/or by "law-of-the-case doctrine." (Instrument No. 59, at 1). In general, TES argues that Singh's filing of new claims is an "effort to overturn the Fifth Circuit decision" and that there are no new facts to justify further litigation. (*Id.*, at 3). TES states that Singh is attempting "to relitigate the *same issues*, between the *same parties*" and that "[t]his is precisely the behavior *res judicata* is intended to foreclose." (*Id.*) (emphasis in original).

TES reminds the Court that the Fifth Circuit determined on July 24, 2002 that Singh's TESTMASTERS mark had not established secondary meaning and remanded to this Court for entry of an order that Singh's trademark was invalid. (*Id.*, at 2; 99-CV-2781, Instrument No. 228, at 14). Two days after that judgment, on July 26, 2002, Singh filed a new application for a trademark in the Testmasters name. (Instrument No. 59, at 3). TES's motion turns on the argument that "secondary meaning should not be relitigated

[so soon] after a finding of no secondary meaning. Cases holding that the issue may be relitigated require the passage of much more time." (*Id.*, at 7). TES states that Singh relies, in these new claims, on the Lanham Act and on California common law of unfair competition "to complain of [TES's] use of the phrase 'Test Masters' on its website" and that "[t]his is exactly the claim that went to the jury" in the original 1999 case. (*Id.*, at 9). In addition, TES argues that, because Singh "could have raised his claimed new facts as recently as this year [2003] in either a Rule 60(b) motion in a still pending case . . . or before the PTO on his prior trademark registration, this new litigation is barred by *res judicata*." (*Id.*, at 4).

Singh filed his Response to Defendant's Renewed Motion to Dismiss for Res Judicata on September 30, 2003. (Instrument No. 125). In the response, Singh argues that the new claims are not "about any aspect of the 1999 Case" but are based on "an entirely new 'nucleus of operative facts' . . . that were not even in existence at the time of the February 2001 trial or the Fifth Circuit appeal in the 1999 Case." (*Id.*, at 1-2). Singh alleges that the new lawsuit "arises out of TES's deliberate scheme, beginning in May 2003, to usurp TestMasters' goodwill and create customer confusion in TestMasters' markets." (*Id.*, at 2). In support of this contention, Singh states that

TES has, among other things, (1) posted misleading statements on its website that "Test Masters" is "unfortunately" not holding classes in California in 2003; (2) altered its website, www.testrnasters.com, to create the impression that it is the nationally-recognized TestMasters; (3) is falsely advertising that "Test Masters"(a/k/a TES) is offering LSAT classes

in every state except California; and (4) is directing current and potential consumers of TestMasters' services to TestMasters' competitors.

(*Id.*). Singh claims that it has established secondary meaning in the TESTMASTERS mark through the "phenomenal growth and development of new trademark rights since 2001." (*Id.*). Singh claims that the growth is evident when one inspects the company's revenue, enrollment, number of locations, and exposure to consumers across the country. (*Id.*). In addition, Singh states that TestMasters has acquired new trademark rights through 29 state trademark registrations. (*Id.*). Singh offers, in his Third Supplemental Declaration of Robin Singh, the names of these 29 states, but he offers no other evidence to support the contention or to establish when the trademarks were sought or granted. (Instrument No. 125, Exhibit F, at 4).

Singh argues that TES's deliberate infringement upon his state trademark rights could not have been litigated in the 1999 case. (Instrument No. 125, at 2). Singh also, rather melodramatically, characterizes TES's actions as "*hijacking* [TestMasters'] consumers, its brand name and its goodwill," after "*appear[ing]* to have interpreted the outcome of the 1999 case as a *license to destroy* TestMasters' nationwide business and reputation *and usurp* the goodwill that TestMasters *has worked so hard to build.*" (*Id.*, at 5-6) (emphasis added). Singh characterizes TES's actions as "a campaign of willful infringement and unfair competition" and as "calculated deception." (*Id.*, at 5-7).

In setting forth his legal argument, Singh first argues that the doctrine of *res judicata* does not bar the new claims because the same claims are not at issue in both suits. (*Id.*, at 9). The

Fifth Circuit determines whether or not claims are the “same” by applying the “transactional test,” which turns on whether or not the two actions are based on the same nucleus of operative fact.” (*Id.*). Singh argues that the application of *res judicata* would fail on this part of the analysis because the two actions are based on different nuclei of operative facts. In addition, Singh claims that “even if the two actions are the same under the transactional test, [*res judicata*] does not bar the second action unless the plaintiff could and should have brought its claim in the former proceedings.” (*Id.*). In support of these contentions, Singh claims both that the nucleus of operative facts at issue in the current claims occurred after the 1999 case was tried and appealed and that the facts at issue in the new claims are “starkly different” from those at issue in the 1999 case. (*Id.*, at 10). Singh also contends that the fact that there is an issue common to both the 1999 case and the current lawsuit—the scope of TestMasters’ trademark rights—does not trigger the application of the *res judicata* doctrine. (*Id.*, at 12).

Second, Singh argues that he is entitled to relitigate the issue of secondary meaning. (*Id.*, at 12-18). Singh contends that evidence of secondary meaning in the 2001 trial was “limited to the period prior to 1995” and that the “question submitted to the jury was not whether TestMasters’ mark had ever acquired secondary meaning, but rather whether the mark acquired secondary meaning *prior to TES’s first use.*” (*Id.*, at 12-13) (emphasis in original). Despite this argument, Singh claims that, even if the Court considers 2001 to be “the cutoff for secondary meaning evidence, TestMasters still has produced voluminous evidence showing that its mark had acquired secondary meaning between the trial and its July 2002 filing of a new application for federal registration in the PTO.” (*Id.*, at 13).

In support of this contention, Singh states that, in the past two years, "TestMasters has spent hundreds of thousands of dollars advertising in print and on the Internet." (*Id.*, at 14). In addition, TestMasters "has invested heavily in on-line advertising and key word searches." (*Id.*). Singh claims that, as a result of these actions, "TestMasters' popularity has skyrocketed." (*Id.*). He presents the following figures as proof: In 1999, TestMasters had approximately 1,162 students enrolled in 42 classes, all of which were taught in California; but in 2003, it had 7,727 students enrolled in 338 classes, taught in 36 states, the District of Columbia, and Canada. (*Id.*, at 14-15). In addition, Singh states that TestMasters' revenue grew from around \$700,000 in 1999, to over \$7,000,000 in 2002, and to over \$8,000,000 in 2003. (*Id.*, at 15). Singh declares that the company's "astronomical growth has earned it a place among the five largest test preparation companies in the world," though he does not cite a source for this statement. (*Id.*). He also claims that TestMasters "is by far the dominant provider of LSAT classes in California," that it "enjoys high levels of brand recognition on a national basis," and that it "has overwhelming new evidence that its mark has acquired secondary meaning." (*Id.*).

Singh argues that, given all these changes, TestMasters is entitled to relitigate the issue of secondary meaning. He states, "in this modern age of instant communications, global media and the Internet, a mark may develop secondary meaning within a very short period of time. Indeed, a mark may become familiar to consumers within a few months, if not overnight." (*Id.*, at 16). He also argues that a prior holding that a trademark lacked secondary meaning does not preclude a later argument of secondary meaning, and that

whether a mark has acquired secondary meaning must be evaluated on a case-by-case basis. (*Id.*, at 16-17). Singh concludes this point by stating that "it is clear that there has been an intervening factual change since the secondary meaning issue was litigated in the 1999 case. Thus, the doctrine of collateral estoppel does not apply." (*Id.*, at 18).

Third, Singh refutes TES's contention that TestMasters should have filed a Rule 60(b) motion in the 1999 case to present new evidence, rather than bring an entirely new suit. (*Id.*). Singh argues that the current claims arise out of "a completely new factual predicate" from the 1999 case and that "[u]nder TES's theory, an employee who lost an employment discrimination case and subsequently was subjected to additional discriminatory conduct, would be required to file a Rule 60(b) motion in the first action, rather than filing a new lawsuit based on the new conduct." (*Id.*). Singh explains that TestMasters' claims in the current action are not based on new evidence relating to the old claims but on new evidence relating to new claims. (*Id.*, at 18-19).

Fourth, Singh argues that this lawsuit is not a collateral attack on the Fifth Circuit's ruling in the 1999 case. (*Id.*, at 19). Singh states,

This suit has nothing to do with the issues previously resolved by the Fifth Circuit, which were: (1) whether TES owns the domain name [www.testmasters.com](http://www.testmasters.com); (2) whether the evidence in the 1999 case supported the jury's finding that TestMasters' mark had obtained secondary meaning prior to TES's first use of the mark; and (3) whether TestMasters' 1999 federal registration of its trademark was valid.

(*Id.*). Singh argues that the issues in the current lawsuit are different than those addressed by the Fifth Circuit. In addition, Singh asserts that the Fifth Circuit “did not hold that TestMasters was barred from taking new steps to acquire trademark rights outside of Texas,” that the court “did not give TES a license to alter its website in order to mislead customers,” and that the court “did not insulate TES from any consequences of its conduct.” (*Id.*, at 20).

Finally, Singh asserts that this lawsuit does not “run afoul of this Court’s July 14, 2003 permanent injunction that enjoined TestMasters from seeking a federal registration for its TESTMASTERS mark and from using the mark within or directed at Texas., including via the Internet.” (*Id.*). Singh states that the Court did not restrict TestMasters’ activities or its use of its mark outside of Texas. Based on all of the arguments listed above, Singh states that the doctrines of *res judicata*, collateral estoppel, and “law of the case” do not apply to bar this suit. (*Id.*).

On October 17, 2003, TES filed its Reply in Support of Its Renewed Motion to Dismiss for *Res Judicata*. (Instrument No. 128). In its Reply, TES argues that Singh’s claims must be dismissed because they are barred by *res judicata* and because Singh failed to seek relief from this Court under Rule 60(b). (*Id.*, at 2,9). TES supports its *res judicata* argument by making five assertions. First, TES states that secondary meaning is a fundamental issue in both the 1999 case and the current claim, therefore *res judicata* should bar the current claim. (*Id.*, at 3). Second, TES contends that the evidence presented by Singh in support of secondary meaning in the 1999 case was evidence that was current through the year 2000. TES disputes Singh’s claim that the

Fifth Circuit's ruling was based only on evidence through 1995. (*Id.*, at 4).

Third, TES argues that its "alleged conduct would only be relevant or actionable if Singh first proved secondary meaning in the mark." (*Id.*, at 5). TES, thereby, is refuting Singh's argument that TES's conduct since the prior litigation defeats *res judicata*. For TES takes the position that the conduct itself may not be considered unless the issue of secondary meaning is, itself, settled. (*Id.*). Fourth, TES argues that Singh's current claim reflects only a "change in strategy" from the 1999 case and not a true basis for a new case. (*Id.*, at 6). Fifth, TES restates its argument that secondary meaning cannot be relitigated so quickly after its first consideration. (*Id.*, at 7-8). Defendant states, "Singh's continued claims of 'newly acquired' secondary meaning before this [C]ourt and the [Patent and Trademark Office] indicate that he is simply experiencing sour grapes over the Fifth Circuit decision." (*Id.*, at 9).

TES also attacks Singh's claims because he failed to seek relief from this Court pursuant to Rule 60(b). (*Id.*, at 9-10). TES argues that Singh "could and should have mounted his 'new' attack via a Rule 60(b) Motion." (*Id.*, at 9). TES concludes, stating, "Singh has yet to give a legitimate reason for not invoking Rule 60(b), and Judge Andersen of the Central District of California strongly implied that Singh avoided this Court for the purpose of obtaining 'a new judge.'" (*Id.*, at 10 (citing Transcript of Oral Argument before Central District of California, Instrument No. 128, Exhibit B at 19)).

On October 29, 2003, Plaintiff Singh filed his Surreply in Opposition to Defendant's Renewed Motion to Dismiss for

Res Judicata. (Instrument No. 133). The surreply sets forth seven arguments in opposition to the motion to dismiss. First, Singh argues that TES's motion to dismiss violates this Court's September 4, 2003 Memorandum and Order Regarding Discovery Motions, Motions for Summary Judgment, and Analogous Motions to Dismiss (Instrument No. 116), because TES "relied on matters outside the pleadings" in moving to dismiss. (Instrument No. 133, at 1). Singh contends that, because of this alleged infraction, TES's motion should be denied on its face. Second, Singh claims that TES has confused the doctrines of *res judicata* and collateral estoppel. (*Id.*, at 2). Third, Singh argues that collateral estoppel does not apply, anyway, because the issue at bar in the 1999 case was different than the issue at bar in the current litigation. (*Id.*).

Fourth, Singh asserts that "the almost 18 intervening months between the [February 2001] trial and TestMasters' second PTO application . . . was more than sufficient for the development of secondary meaning." (*Id.*). Fifth, Singh argues that the secondary meaning evidence presented in the earlier case only extended to 1995 and that, "on its own initiative, the Fifth Circuit considered whether [evidence from 2000] constituted evidence of secondary meaning to support the judgment." (*Id.*, at 3). In other words, Singh contends that, even though he can prove secondary meaning from the 18 months after February 2001, the evidence that should be considered is that from 1995 to the present. (*Id.*). Sixth, Singh restates the argument that "modern courts" unanimously hold that prior adjudication of secondary meaning does not bar relitigation of secondary meaning. (*Id.*, at 4). Finally, Singh states that his explanation for not bringing a Rule 60(b) motion was fully laid out in his Response. (*Id.*, at 5).

On January 30, 2004, Plaintiff Singh filed both a First Amended Complaint (Instrument No. 155) and a Supplemental Brief in Opposition to Defendant TES's Motion to Dismiss for *Res Judicata* (Instrument No. 151). In the First Amended Complaint, Singh added several new causes of action to his case. This Court issued an Order striking the First Amended Complaint on April 7, 2004. (Instrument No. 169). Plaintiff's Supplemental Brief focuses entirely on the new causes of action, which are now irrelevant to the case. Therefore, the Court disregards Plaintiff's Supplemental Brief (Instrument No. 151).

Also on January 30, 2004, Defendant TES filed its Pleading in Support of Motion to Dismiss for *Res Judicata* and Motion for Contempt. (Instrument No. 156). The majority of this pleading argues in support of TES's motion for contempt, and the Court will address that motion at another time. With regard to the *res judicata* issues, TES states, essentially, "Singh has had his day in this Court, the Fifth Circuit, Judge Anderson's court, and the USPTO; he should not get a fifth bite at the apple." (*Id.*, at 5).

## II.

Federal Rule of Civil Procedure 12(b)(6) allows for dismissal if a plaintiff fails "to state a claim upon which relief can be granted." FED. R. CIV. P. 12(b)(6). Such dismissals are to be viewed with disfavor and are rarely granted. *Shipp v. McMahon*, 199 F.3d 256,260 (5th Cir. 2000) (quoting *Kaiser Aluminum & Chem. Sales v. Avondale Shipyards*, 677 F.2d 1045, 1050 (5th Cir. 1982)). They will only be granted where "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim

which would entitle him to relief." *Conley v. Gibson*, 355 U.S. 41, 45-6 (1957); *Oliver v. Scott*, 276 F.3d 736,740 (5th Cir. 2002). Dismissal should not be granted unless the party would not be entitled to relief under any set of facts or any possible legal theory that could consistently be proven with the allegations in the complaint. *Jones v. Greninger*, 188 F.3d 322,324 (5th Cir. 1999).

In determining whether a dismissal is warranted pursuant to Rule 12(b)(6), the court accepts as true all allegations contained in the plaintiffs complaint. *Baker v. Putnal*, 75 F.3d 190,196 (5th Cir. 1996). In addition, the facts are viewed in a light most favorable to the plaintiff. *Id.* "However, conclusory allegations or legal conclusions masquerading as factual conclusions will not suffice to prevent a motion to dismiss." *Vulcan Materials Co. v. City of Telzuacana*, 238 F.3d 382, 387 (5th Cir. 2001) (quoting *Fernandez-Montes v. Allied Pilots Ass'n*, 987 F.2d 278,284 (5th Cir.1993)).

### III.

The District Court of Rhode Island stated, in *DeCosta v. Viacom Intern., Inc.*, the following sentiments, with which this Court agrees:

The doctrines of res judicata and collateral estoppel are designed to establish a point at which litigation comes to an end. They serve three basic purposes: (1) promoting judicial economy by preventing repetitive litigation; (2) establishing certainty and respect to judgments; and (3) protecting the party relying on the prior adjudication from vexatious litigation. The doctrines reflect the principle that once a case has

been heard and decided, a litigant is not entitled to an "encore." On the other hand, neither *res judicata* nor collateral estoppel bars a party from seeking to vindicate rights or litigate issues not encompassed by the prior suit.

758 F. Supp. 807, (D.R.I. 1991) (internal citations omitted), *rev'd on other grounds*, 981 F.2d 602 (1st Cir. 1992). Keeping both the interest in protecting the parties and courts from "vexatious litigation" and the interest in protecting the parties' rights in mind, the Court proceeds with the following analysis.

In the Original Complaint, filed in the current case, Plaintiff Singh alleges three counts upon which his rights have been violated by Defendant. First, Singh alleges unfair competition, false designation of origin, and deceptive advertising, all pursuant to 15 U.S.C. § 1125(a)(1)(A). (Instrument No. 1, at 21). Second, Singh alleges false advertising, pursuant to 15 U.S.C. § 1125(a)(1)(B). (*Id.*, at 22). Third, Singh alleges infringement of a registered trademark under California law, pursuant to California Business and Professional Code § 14320. (*Id.*, at 23-24).

The question at issue in Defendant's motion to dismiss is whether any of these claims is barred by the doctrine of *res judicata* or by collateral estoppel.

#### A.

*Res judicata* or "claim preclusion" prohibits either party from raising any claim or defense in a later action that was or could have been raised in the prior action. *United States v. Shanbaum*, 10 F.3d 305,310 (5th Cir. 1994). If a party does

not raise a claim or defense in the prior action, that party waives his or her right to raise such claim or defense in the later action. *Id.* In addition, the prior judgment's effect extends to the litigation of all relevant issues in the same claim between the same parties. *Id.* Generally, *res judicata* incorporates the concepts of both issue preclusion (collateral estoppel) and claim preclusion ("pure" *res judicata*). *Id.*

The Fifth Circuit has stated, "[T]he value that the bar and estoppel doctrines serve [is] in achieving a finality to litigation and in preventing harassment of a party and a waste of the court's resources through multiplicitous law suits." *Moch v. East Baton Rouge Parish School Bd.*, 548 F.2d 594,598 (5th Cir. 1977). "[R]es judicata is a principle of public policy and should be applied so as to give rather than deny justice." *Dore v. Kleppe*, 522 F.2d 1369, 1374 (5th Cir. 1975).

In *In re Baudoin v. Baudoin*, the Fifth Circuit explained that under the doctrine of *res judicata*, a later suit is barred if "(1) both cases involve the same parties; (2) the prior judgment was rendered by the court of competent jurisdiction; (3) the prior decision was a final judgment on the merits; and (4) the same cause of action is at issue in both cases." 981 F.2d 736,740 (5th Cir. 1993). In the case at bar, both parties and the Court agree that the first three elements have been met. Only the fourth element of the test is in dispute.

In order to determine whether the two proceedings involve the same cause of action, this Circuit uses the "transactional test." *See Agrilectric Power Partners Ltd. v. General Elec. Co.*, F.3d 663,665 (5th Cir. 1994). Under this test, the critical issue is whether the actions are based on the same nucleus of operative facts. *See id.; Baudoin*, 981 F.2d at

743. The relief requested or theory asserted is irrelevant. See *Agrilectric*, 20 F.3d at 665. If the fact scenarios parallel, then the same cause of action is involved. See *id.*; *Travelers Ins. v. St. Jude Hospital of Kenner La.*, 37 F.3d 193 (5th Cir. 1994), cert. denied, 115 S. Ct. 1657 (1995). “In evaluating the res judicata effect of a prior claim on a subsequent one, the transactional test does not inquire whether the same evidence has been presented in support of the two claims, but rather asks whether the same key facts are at issue in both of them.” *New York Life Insur. Co. v. Gillispie*, 203 F.3d 384, 387 (5th Cir. 2000) (emphasis in original).

“The concept of merger and bar embodied in the claim preclusion doctrine prevents a plaintiff who loses in litigation from bringing a subsequent action based on the same transaction or series of transactions by simply asserting additional facts or by proceedings under a different legal theory.” *Delta Western Group, L.L.C. v. Ruth U. Fertel, Inc.*, 2001 WL 238209, at \*2 (E.D. La. 15 March 5, 2001); see *Nilsen v. City of Moss Point*, 701 F.2d 556, 560 n.4 (5th Cir. 1983) (holding that a cause of action embraces all the remedial rights of the plaintiff against the defendant arising out of the relevant transaction or series of connected transactions). If Plaintiff can only win the suit by convincing the Court that the prior judgment was in error, the second suit must be barred. *New York Life Insur. Co. v. Gillispie*, 203 F.3d 384, 387 (5th Cir. 2000).

## B.

In stating his allegations in Count One for unfair competition, false designation of origin, and deceptive advertising pursuant to 15 U.S.C. § 1125(a)(1)(A), Plaintiff Singh alleges the following in his Original Complaint:

Through its unauthorized use of Plaintiffs TESTMASTERS trademark, or a presentation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, Defendant is knowingly and intentionally using in commerce a false designation of origin, false or misleading description of fact, and/or a false or misleading representation of fact as to the nature, origin, sponsorship, affiliation, and/or source of its LSAT test preparation services, so as to create a likelihood of confusion on the part of potential consumers as to the nature, origin, sponsorship, and/or source of its LSAT test preparation services.

(Instrument No. 1, at 21). With regard to Plaintiff Singh's Count Two of false advertising, he alleges the following in his Original Complaint:

Through its unauthorized use of Plaintiffs TESTMASTERS trademark, or a representation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, Defendant has knowingly and intentionally made false and misleading statements of material fact in advertising its LSAT preparation classes, suggesting that it (1) had been offering LSAT courses in California but is no longer doing so, (2) is offering LSAT classes throughout the country, when in fact it has no such plans nor any ability to do so, and (3) is actually the well-known, high-quality LSAT prep company TestMasters. Defendant's false and misleading

statements of material fact mislead students into calling a telephone number to sign up for TES' LSAT classes, which calls are never returned because TES has no bona fide plans or ability to offer such courses.

(Instrument No. 1, at 22) (emphasis in original). With regard to Plaintiff Singh's claim of infringement of a registered trademark under California law, pursuant to California Business and Professional Code § 14320, Singh states in his Original Complaint,

TestMasters is the owner of a registration under California law for the mark TESTMASTERS. Through its unauthorized use of Plaintiffs TESTMASTERS trademark, or a representation and/or imitation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, including in California, Defendant is likely to cause confusion or mistake or to deceive the public as to the source or origin of its LSAT test preparation services.

(Instrument No. 1, at 23).

As relief for these alleged violations of Plaintiff's rights, Plaintiff requests this Court to enjoin Defendant from "using Plaintiffs TESTMASTERS trademark outside of the state of Texas," to enjoin Defendant from "directly or indirectly infringing Plaintiff's TESTMASTERS trademark and engaging in false designation of origin, deceptive trade practices, and unfair competition, including but not limited to marketing and selling its test preparation services under the name TESTMASTERS outside of the State of Texas." (*Id.*, at 21, 26). In addition, Plaintiff requests the Court to

order Defendant to post a disclaimer on its website stating that TES is “not sponsored [by] or affiliated with TestMasters, or to take other steps to mitigate confusion on the part of consumers as to whether [TES] is the same company as TestMasters or is sponsored [by] or affiliated with TestMasters, or to take other steps to mitigate confusion on the part of consumers as to whether [TES] is the same company as TestMasters.” (*Id.*, at 26-27).

Under the transactional test, “the preclusive effect of a prior judgment extends to all rights the original plaintiff had ‘with respect to all or any part of the transaction, or series of connected transactions, out of which the [original] action arose.’” *Petro-Hunt, L.L. C. v. United States*, 365 F.3d 385 (5th Cir. 2004) (citing Restatement (Second) of Judgments § 24(1) (1982)). In addition,

[w]hat factual grouping constitutes a “transaction,” and what groupings constitute a “series,” are to be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin, or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties’ expectations or business understanding or usage.

*Id.* In the 1999 case, the nucleus of operative facts included Singh’s alleged rights in the TESMASTERS trademark, TES’s ownership of the “www.testmasters.com” domain name and website, and TES’s use of the website to allegedly infringe upon Singh’s trademark rights and to engage in unfair competition. The transaction at issue was TES’s activity on its website.

In the current case, the nucleus of operative facts includes Singh's alleged rights in the TESTMASTERS trademark, TES's ownership of the "www.testmasters.com" domain name and website, and TES's use of the website to allegedly infringe upon Singh's trademark rights and to engage in unfair competition. In other words, the current case is based on the same nucleus of operative facts as the 1999 case. In addition, the transaction at issue in the current case is pragmatically connected to the transaction at issue in the 1999 case. The transaction at issue in the current case is TES's further activity on and development of its website. These transactions are connected by time, space, origin, and motivation.

Singh argues, however, that the facts upon which the current case is based present "an entirely new 'nucleus of operative facts.'" (Instrument No. 125, at 2). Singh illustrates this new nucleus of operative facts by stating,

TES has, among other things, (1) posted misleading statements on its website that "Test Masters" is "unfortunately" not holding classes in California in 2003; (2) altered its website . . . to create the impression that it is the nationally-recognized TestMasters; (3) is falsely advertising that "Test Masters" (a/k/a TES) is offering LSAT classes in every state except California; and (4) is directing current and potential consumers of TestMasters' services to TestMasters' competitors.

(*Id.*). Each of these "new facts" relates to the content of TES's website. The factual scenario in the 1999 case was slightly different from that in the current case in that the website content was less extensive. That the factual

scenarios differ, however, is irrelevant to the *res judicata* analysis. The fact scenarios are certainly parallel, for, in each case, Singh attacked TES for its use of the “www.testrnasters.com” website to infringe on Singh’s trademark.

The 1999 case and the current case, therefore, arise out of the same cause of action. All four elements needed to satisfy the *res judicata* analysis are present. Accordingly, Singh’s current lawsuit is barred by the doctrine of *res judicata*.

### C.

Singh argues that *res judicata* should not apply, however, because the issue of secondary meaning may rightly be relitigated when new facts alter the analysis. In other words, Singh argues that an exception to the doctrine of *res judicata* exists when the issue of secondary meaning is in contention. Singh states that “TestMasters’ phenomenal growth and development of new trademark rights since 2001 has established secondary meaning in its trademark that could not have been at issue in the February 2001 trial.” (Instrument No. 125, at 2).

Trademarks are classified into five different categories: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, and (5) fanciful. *Sport Supply Group, Inc. v. Columbia Cas. Co.*, 335 F.3d 453, 460 n.7 (5th Cir. 2003). A descriptive mark is not protected from infringement unless it has acquired “secondary meaning.” *Id.* Secondary meaning is achieved “when, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.” *Igloo Products Corp. v. Brantex, Inc.*, 202 F.3d 814, 816 (5th Cir. 2000). If a

defendant "moves for summary judgment pointing to evidence that tends to show the lack of secondary meaning, summary judgment will be granted unless plaintiff comes forward to show an issue of fact on secondary meaning." 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:119 (4th ed.).

On September 6, 2002, in the 1999 case, the Fifth Circuit found that Singh had not established secondary meaning in the TESTMASTERS mark and remanded to this Court for issuance of an order rendering Singh's federal trademark invalid. (99-CV-2781, Instrument No. 227). Singh argues, however, that factual changes since the 1999 case entitle him to relitigate the issue of secondary meaning. Indeed, it is well-settled that the rules of *res judicata* are slightly different when secondary meaning in a trademark is involved:

In trademark cases, *res judicata* must be carefully applied, since the facts of trademark usage and consumer recognition may have changed since the prior judgment was rendered. . . . Thus, a prior holding that a designation was not protectable as a trademark because it was descriptive and lacked secondary meaning does not preclude the party from later arguing that in the time since that decision, the designation has achieved secondary meaning.

5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:98 (4th ed.). In support of this analysis, McCarthy cites both a case in which a forty year old judgment did not bar the new litigation<sup>3</sup> and also the Fifth Circuit case *Texas Pig*

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<sup>3</sup> *Flowers Indus., Inc. v. Interstate Brands Corp.*, 5 U.S.P.Q.2d 1580 (T.T.A.B. 1987).

*Stands, Inc. v. Hard Rock Café Int'l, Inc.*, 951 F.2d 684 (5th Cir. 1992), in which a Plaintiff was not barred from bringing a new suit by a judgment rendered sixty years before. 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:88 n.3, 4.

TES argues that Fifth Circuit precedent requires the passage of a significant amount of time before the issue of secondary meaning may be relitigated. (Instrument No. 128, at 7). Singh, however, argues that there is no time requirement but only a requirement that there be a factual change to suggest that secondary meaning can now be established. (Instrument No. 133, at 2). Singh states, “[T]here has been an intervening factual change since the February 2001 trial that has altered the basis upon which the earlier judgment depended—namely, TestMasters’ dramatic post-trial growth, significant nationwide exposure, and acquisition of state trademark rights.” (*Id.*). In support of this statement, Singh cites to the Fifth Circuit case *Texas Pig Stands, Inc. v. Hard Rock Café Int'l, Inc.*, in which the court held that factual changes had occurred over the intervening *sixty years* since the first original case that supported the relitigation of secondary meaning. 951 F.2d 684 (5th Cir. 1992).

To clarify, Singh is arguing that between February 2001 and the filing of the current case in June 2003 – approximately sixteen months – factual changes occurred that warrant the relitigation of secondary meaning. (Instrument No. 133, at 2). The factual changes Singh claims have taken place include an “extensive national marketing campaign” that has resulted in a “dramatic” growth of Singh’s business, “in terms of revenues, enrollment, number of locations, and exposure to consumers across the country.” (Instrument No. 125, at 2). Singh states he has “spent hundreds of thousands

of dollars advertising in print and on the Internet." (*Id.*, at 14). As an example of this advertising, Singh refers to a full-page advertisement in the April 15, 2002 issue of *U.S. News & World Report*. (*Id.*). The Court notes that, in April 2002, the 1999 case was on appeal in the Fifth Circuit. The evidence of this advertisement would more properly have been brought before that court in that lawsuit.

Singh also states that he "has invested heavily in on-line advertising and key word searches to further publicize the company," that "TestMasters' popularity has sky-rocketed," that its "astronomical growth has earned it a place among the five largest test preparation companies in the world," and that this all adds up to "overwhelming new evidence that its mark has acquired secondary meaning." (*Id.*, at 14-15). While Singh may believe this evidence to be "overwhelming," the Court does not agree.

In cases in which parties were granted the right to relitigate the issue of secondary meaning, the passage of time was a key component in the court's analysis. *See Texas Pig Stands*, 951 F.2d at 692 (relitigating secondary meaning after sixty years); *Continental Motors Corp. v. Cont'l Aviation Corp.*, 375 F.2d 857, 862 (5th Cir. 1967) (considering secondary meaning after the passage of sixty-five years). *See also In re Honeywell, Inc.*, 8 U.S.P.Q.2d 1600 (T.T.A.B. 1988) (relitigating secondary meaning after twelve years); *Flowers Ind., Inc. v. Interstate Brands Corp.*, 5 U.S.P.Q.2d 1580 (T.T.A.B. 1987) (relitigating secondary meaning after forty years). There is very little case law on this narrow issue, and no court in this Circuit or any other has stated a precise amount of time that must have passed before secondary meaning may be relitigated. No court in

this Circuit, however, has allowed its relitigation after only sixteen months.

Singh argues that, "in this modern age of instant communication, global media and the Internet, a mark may develop secondary meaning within a very short period of time. Indeed, a mark may become familiar to consumers within a few months, if not overnight." (Instrument No. 125, at 16). In support of this statement, Singh refers to *Metro Kane Imports, Ltd. v. Federated Dept. Stores, Inc.*, 625 F. Supp. 313 (S.D.N.Y. 1985). In *Metro Kane*, the district court stated,

While a relatively short period of time has expired since the previous litigation, there is no basis to hold that a party is precluded as a matter of law from demonstrating that secondary meaning can be acquired within a few months. Indeed, in this day of modern communications it is frequently the case that a particular product or name becomes familiar to many consumers overnight and the question of whether secondary meaning exists is dependant on a variety of factual questions and determinations.

625 F. Supp. at 315. In the nineteen years since *Metro Kane* was decided, the Second Circuit has never commented on nor endorsed this statement by the district court. Nor has the Fifth Circuit ever adopted this view of relitigating secondary meaning. Because the opinion stands alone, because it was offered by a district court in a separate circuit, and because the Fifth Circuit has never indicated any interest in following its lead, the Court finds that *Metro Kane* is not persuasive.

While some courts will “deny a motion for summary judgment on the ground that the existence or non-existence of secondary meaning can only be determined at a full fact finding trial,” that choice is by no means the universal rule. 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:119 (4th ed.). Courts have often granted summary judgment on the issue of secondary meaning, and this Court finds that granting summary judgment is the proper avenue to take in the case at bar.

The Fifth Circuit has stated that “[g]enerally, a post judgment change of circumstances, either factual or legal, does not alter that judgment’s effect as a bar to later actions based on the same cause of action. Yet, courts have occasionally rejected strict application of bar and estoppel principles when their use would violate an overriding public policy or result in manifest injustice.” *Moch v. East Baton Rouge Parish School Bd.*, 548 F.2d 594, 596-97 (5th Cir. 1977) (internal citations omitted). The Court sees no reason, in the current case, to allow an attack on the Court’s previous judgment in the interest of public policy or to prevent manifest injustice. On the contrary, it seems very much in the public interest to bar further litigation of rights related to the TESTMASTERS mark because of the onerous burden placed on the Court and the parties in constantly relitigating this matter. If there is any manifest injustice at issue in the current case, it is that the Court and parties are spending time and resources on issues that have already been settled. The Court finds that there is no issue of fact with regard to secondary meaning. Accordingly, summary judgment may be granted on the basis of *res judicata*.

Singh argues that “[i]f this Court were to find that the Fifth Circuit’s decision that TestMasters had not demonstrated

secondary meaning ~~could never~~ be challenged, it would be tantamount to concluding that TES had been forever immunized from liability for trademark infringement." (Instrument No. 125, at 17-18). The Court, however, refrains from stating such an extreme holding. Nevertheless, the Court urges that continued refiling of these claims by Plaintiff to test whether or not the time is yet ripe to relitigate secondary meaning will be, for quite some time, to no avail.

Although the relitigation of secondary meaning is unnecessary in this case because of the *res judicata* analysis, the Court would also point out that the impact goes beyond the present facts because a party must prove secondary meaning in order to carry claims under the Lanham Act. *See Sugar Busters, LLC v. Brennan*, 177 F.3d 258,267-68 (5th Cir. 1999) (finding that § 43(a) of the Lanham Act protects only qualifying unregistered marks and that unregistered descriptive marks must be shown to have secondary meaning in order to qualify). Therefore, Singh's claims of unfair competition, false designation of origin, deceptive advertising, and false advertising under 15 U.S.C. § 1125(a)(1) are barred not only because of the doctrine of *res judicata* but also because secondary meaning is not ripe for relitigation.

#### D.

In *Langston v. Insur. Co. of North America*, the Fifth Circuit held that a subsequently filed suit between the same parties was barred by *res judicata* because the claims asserted in the second suit could have been brought in the first. 827 F.2d 1044,1048 (5th Cir. 1987). Plaintiff was barred because "she could simply have amended her pending discrimination complaint and argued the Title VII allegations [of the second

suit] in [the first] suit. She chose not to do so, but rather filed a second complaint while her original case was still pending." *Id.*

In the case at bar, Plaintiff filed the current suit on June 23, 2003, at which time motions were pending in the 1999 case to modify the final judgment and to assign attorneys' fees. (99-CV-2781, Instruments No. 229,230). The Court's Orders addressing those motions were not issued until July 11, 2003, *after* Singh had filed his complaint in the current case. (99-CV-2781, Instruments No. 241, 242). Further, Singh filed his notice of appeal *in the 1999 case* on August 6, 2003, *after* his filing of the current case in the California district court. (99-CV-2781, Instrument No. 247).

It is clear to the Court that the claims brought by Singh in the current case could have been asserted in the 1999 case on appeal or as part of a Rule 60 motion. This finding only further supports the Court's dismissal of this case.

Because it finds that the doctrine of *res judicata* bars the current lawsuit, the Court will not address the separate issue of collateral estoppel.

#### IV.

Based on the foregoing, Defendant TES's Renewed Motion to Dismiss for Res Judicata (**Instrument No. 118**) is **GRANTED**. The clerk of the court is directed to send all cases that Plaintiff Singh might file in the future to the docket of Judge Vanessa D. Gilmore.

The Clerk shall enter this Order and provide a copy to all parties.

72a

**SIGNED** on this the 5th of October, 2004, at Houston,  
Texas.

/s/  
**VANESSA D. GILMORE**  
**UNITED STATES DISTRICT JUDGE**

**Appendix D**

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

ROBIN SINGH EDUCATIONAL SERVICES INC.

versus

TEST MASTERS EDUCATIONAL SERVICES, INC.

Civil Action No. H-03-3348  
Entered September 17, 2004

**ORDER**

Pending before the Court is Defendant Test Masters Educational Services, Inc.'s Motion to Hold Robin Singh Educational Services, Inc. in Contempt, Motion for Sanctions, and for Limited Discovery in Support of Same (Instrument No. 143).

**I.**

The history between these two parties is extremely vexatious. Plaintiff Robin Singh Educational Services, Inc. ("Singh") and Defendant Test Masters Educational Services, Inc. ("TES") both operate test preparation businesses using the name "Testmasters."<sup>1</sup> (Instrument No. 59, at 1). Singh began operation in California in 1991, offering preparation classes for the LSAT. (Instrument No. 125, at 3). TES began operation in Texas in 1992, offering preparation

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<sup>1</sup> In the interests of accuracy, Plaintiff uses the name "TestMasters," and Defendant uses the name "Test Masters."

classes primarily for the SAT. (*Id.*). Neither party learned of the other until 1999. (*Id.*).

#### A.

In 1995, Singh sought a federal registration for the name "Testmasters," and received trademark registration from the United States Patent and Trademark Office ("PTO") in March of 1999. (Instrument No. 59, at 1; Instrument No. 125, at 3). Singh states that, in 1999, he "learned that TES had registered but not yet actively used the internet domain name [www.testmasters.com](http://www.testmasters.com)." (Instrument No. 125, at 3). In August 1999, Singh threatened to sue TES because TES's registration and potential use of the domain name allegedly violated Singh's federal trademark rights in the TESTMASTERS mark. (Instrument No. 59, at 1; Instrument No. 125, at 3).

On August 30, 1999, TES filed suit, seeking a declaration of non-infringement from this Court ("the 1999 case"). (99-CV-2781, Instrument No. 228, at 4). In the alternative, TES sought a ruling that Singh's mark was "invalid for being descriptive without a secondary meaning and for Singh's having committed fraud on the PTO." (*Id.*). On June 30, 2000, Singh brought a separate action against TES, alleging infringement and unfair competition under California law. (*Id.*). In answer to these claims, TES asserted the defense of innocent prior use of the TESTMASTERS mark. (*Id.*). The two suits were consolidated under cause number 99-CV-2781 on July 20, 2000 in the Southern District of Texas (Instrument No. 68) and went to trial in Houston in February 2001. (*Id.*, at 4).

Eleven questions went to the jury in the 1999 case, regarding three basic inquiries: (1) whether TESTMASTERS was a descriptive mark; (2) whether Singh's use of the mark had acquired secondary meaning by the time of TES's first use of the mark; and (3) whether TES could prove its affirmative defense of innocent prior use. (*Id.*, at 4). The jury found that TESTMASTERS was a descriptive mark and that it had acquired secondary meaning in connection with Singh's services. (*Id.*). The jury also found that, though TES had infringed the mark, it was not subject to liability because it was an innocent prior user. (*Id.*). This Court issued an order granting judgment for Singh on its unfair competition claim, on the basis of the jury finding that the mark had acquired secondary meaning. (*Id.*). The Court also ordered TES to transfer the website domain name to Singh. (*Id.*). Both parties appealed to the Fifth Circuit. (*Id.*).

On July 24, 2002, the Fifth Circuit held that Singh had failed to substantiate his trademark and remanded to this Court to enter an order directing the PTO to cancel Singh's registration. (Instrument No. 59, at 2). Two days later, on July 26, 2002, Singh applied for a new TESTMASTERS trademark with the PTO. (Instrument No. 59, at 2). On September 5, 2002, this Court entered an Order denying Singh all relief, in compliance with the Fifth Circuit's mandate. (Instrument No. 59, at 2). The Order vacated the judgment for Singh and the order to transfer the domain name. (Instrument No. 125, at 5). The Order also declared Singh's 1999 federal registration of its mark invalid. (*Id.*).

On September 19, 2002, TES filed an application for attorneys' fees in the 1999 case and sought an injunction from the Court to "uphold *res judicata* and preclude relitigation." (99-CV-2781, Instruments No. 229, 230). On

July 11, 2003, the Court issued an Order granting the motion for injunctive relief. (99-CV-2781, Instrument No. 241). The Order permanently enjoined Singh from pursuing registration of the TESTMASTERS mark in the PTO, permanently enjoined Singh from interfering with or opposing TES's registration of the mark in the PTO, and permanently enjoined Singh from using the mark, or any similar mark, within the State of Texas or directed at the State of Texas. (Instrument No. 125, at 5). Singh appealed on August 6, 2003. (99-CV-2781, Instrument No. 247). The appeal remains pending.

## B.

Meanwhile, on June 23, 2003, prior to appealing the 1999 case, Singh brought a new suit ("the current case") against TES in the Central District of California. (Instrument No. 1). In the current case, Singh alleges unfair competition, false designation of origin, and deceptive advertising, all pursuant to 15 U.S.C. § 1125(a)(1)(A); false advertising, pursuant to 15 U.S.C. § 1125(a)(1)(B); and infringement of a registered trademark under California law, pursuant to California Business and Professional Code § 14320. (Instrument No. 1, at 21-24).

TES filed its Motion to Dismiss for *Res Judicata* in the Central District of California, on July 14, 2003. (Instrument No. 59). On August 13, 2003, the district court for the Central District of California transferred the current case to this Court and dismissed without prejudice TES's original Motion to Dismiss for *Res Judicata*. (Instrument No. 112). On September 10, 2003, TES filed its Renewed Motion to Dismiss for *Res Judicata* in this Court. (Instrument No. 118).

## C.

On September 26, 2003, TES filed a Motion to Hold Defendant in Contempt, Motion for Sanctions, and for Limited Discovery in Support of Same (Instrument No. 143). TES argues that Singh has "taken numerous deliberate actions to undermine and contradict the results of" the Fifth Circuit's July 24, 2002 judgment, "the subsequent mandate of the Fifth Circuit, the judgment entered by this Court on September 5, 2002, and the modified final judgment entered by this Court on July 14, 2003." (Instrument No. 143, at 1).

TES requests that it be granted the opportunity for additional discovery, in order to "ascertain whether Singh has conducted courses in Texas cities other than Houston under the name TESTMASTERS, whether Singh coordinated the phone call to the accounting department of TES's counsel, and to investigate the existing evidence of Singh's wanton conduct." (Instrument No. 143, at 20). In conclusion, TES requests that the Court (1) order Singh to comply with the Court's July 14, 2003 Order by immediately withdrawing his pending application with the PTO and refraining from further refiling, by ceasing use of the TESTMASTERS mark in Texas for any purpose, and by ceasing use of the TESTMASTERS mark in any manner viewable in or from Texas; (2) enjoin Singh from communicating directly with or threatening or harassing TES, its employees or staff, or TES's counsel, employees, or staff; (3) grant TES additional discovery "to ascertain the depth and scope of Singh's conduct regarding the TESTMASTERS mark, communications with TES or its counsel, and the allegations set forth in the motion; and (4) find Singh to be in contempt of this Court's Order and subject to sanctions. (*Id.*, at 21-22).

Singh filed his Response and Objections to TES's Motion to Hold Singh in Contempt, Motion for Sanctions and for Limited Discovery on October 20, 2003. (Instrument No. 166). Initially, Singh objects to TES's motion as "vexatious litigation" that shows "disrespect for the Court, our justice system and opposing counsel." (*Id.*, at 1). Singh argues against each of TES's allegations and claims that the allegations have "virtually no evidentiary support." (*Id.*, at 2). Singh claims that TES's motion was filed only to smear Singh in the Court's eyes and to increase Singh's litigation costs. (*Id.*). In addition, Singh argues that TES's motion for sanctions "is not within the jurisdiction of this Court in this contempt proceeding. While the Court has continuing jurisdiction to enforce its orders through its contempt power, that jurisdiction does not extend to conduct that is completely unrelated to the Court's orders." (*Id.*, at 4) (citing *Woodard v. STP Corp.*, 170 F.3d 1043 (11th Cir. 1999)).

TES filed its Reply in Support of Motion to Hold Singh in Contempt, Motion for Sanctions, and Limited Discovery on November 4, 2003. (Instrument No. 167). The reply adds some additional evidence in support of TES's allegations. The crux of TES's reply lies in the following statement: "Singh is in contempt. He has orchestrated a deliberate, expensive and illegal campaign to misuse the legal system. He has been aided in that effort by people who should know better. TES respectfully urges that the Court set this matter for a hearing at its earliest convenience and that it grant such discovery as it deems appropriate." (*Id.*, at 23).

Plaintiff Singh filed his Surreply in Opposition to TES's motion on November 18, 2003. (Instrument No. 140). Singh continues the parties' tradition of insulting one another by declaring, "TES has stolen TestMasters' business and

defrauded innocent customers. In order to divert attention from its criminal behavior, TES has made a series of false and inflammatory accusations against Singh, none of which support a finding of contempt or the imposition of sanctions." (*Id.*, at 1). The Court notes that referring to TES's behavior as "criminal" when there is no criminal action under consideration or pending could easily be considered, itself, to be false and inflammatory. Singh, then, launches into a tirade accusing TES of "stepping up its campaign of character assassination and innuendo" in order to distract the Court from "its own deplorable conduct." (*Id.*, at 3). Meanwhile, Singh spends three pages of briefing focusing on TES's deplorable conduct and not on Singh's own conduct, which is the subject of this motion. (*Id.*, at 1-3).

Singh, then, filed a Supplemental Brief in Opposition to TES's Motion to Hold Testmasters in Contempt and Motion for Sanctions on January 30, 2004. (Instrument No. 153). It appears that the Supplemental brief was filed primarily to provide the Court with two hundred pages of depositions taken and declarations made in January 2004. In his conclusion, Singh requests attorneys' fees. He states, "For reasons set forth more fully in his own Motion for Sanctions, Singh requests that he be compensated for the attorneys' fees he has expended in defending against TES's frivolous motion for contempt and for sanctions, particularly given TES's confession that it has no identifiable damages." (*Id.*, at 16).

On May 21 2004, TES filed a Notice of Further Contempt with this Court. (Instrument No. 181). The further contempt complained of includes (1) Singh's alleged placing of additional ads holding himself out as "Testmasters" to

students seeking information about Texas law schools, and (2) Singh's falsely representing himself as the registered trademark owner in his ads. (*Id.*, at 2).

Singh filed a Response to TES's Notice of Further Contempt on June 15, 2004. (Instrument No. 184). Singh continues to use the same adjectives to describe TES's claims: unfounded and untenable. Nevertheless, Singh admits that the ® mark did appear on his website but claims that its inclusion was "accidental" and "has been corrected." (*Id.*, at 3). The Court must admit that Singh's alleged "accidental" "oversight" raises serious doubts about his intent to abide by a lawful order of this Court.

The Court notes that this single motion seems to have unleashed a flood of activity by both parties, including hundreds of pages of briefing and exhibits solely on the issue of contempt. Addressing this claim has been extremely onerous, burdensome, and tedious for the Court. Before the parties, or their counsel, engage in this level of immature behavior again, the Court suggests both parties read Judge Sparks' recent opinion in *Klein-Becker, LLC v. Stanley*, A 03-CA-87 1-SS, which is attached to this opinion.

1.

TES alleges that Singh's application for registration of the TESTMASTERS mark, which he filed on July 26, 2002, is in violation of this Court's July 14, 2003 Order. The July 14, 2003 Order permanently enjoins Singh "from interfering with or opposing [TES's] registration of the TESTMASTERS or TEST MASTERS marks in the United States Patent and Trademark Office. (H-99-CV-2781, Instrument No. 241, at 1). Singh requested that the PTO

suspend his application, which the PTO agreed to do. The current status of the PTO application is suspended. TES argues that "Singh's pending application – whether it be 'suspended' or active – operates to interfere with TES's efforts to register the TESTMASTERS mark." (Instrument No. 143, at 11). TES claims that Singh's suspended application prevents the PTO from acting on TES's application, and, thus, qualifies as interference with TES's registration of the mark. (*Id.*).

Singh argues that he is not "pursuing registration" because "the application is now dormant." (Instrument No. 166, at 10). Singh claims that he asked the PTO to suspend his application on August 11, 2003, that the PTO complied with Singh's request on October 1, 2003, and that the application is now dormant. (*Id.*, at 3). Singh's argument is that because the application is dormant, it is not in violation of the Court's Order. (*Id.*, at 10). Singh states that he is not required by the Order to withdraw his application. He also claims that, while his application may "affect" TES's PTO application, it does not qualify as "interference" with TES's PTO application. (*Id.*, at 11). Singh points out that his application was filed before TES's application, not in opposition to it, and that, therefore, it is not affected by the Court's Order. (*Id.*). Singh states that he has ceased to pursue his application, by requesting that it be suspended pending appeal. Singh argues, therefore, that he is not in contempt of the Court's Order. (*Id.*).

TES states in its Reply that "TES has explained to Singh's counsel (three times) that Singh's pending application (even if suspended) continues to prevent the PTO from acting on TES's applications." (Instrument No. 167, at 13). TES claims that its trademark applications cannot proceed until

Singh's application is withdrawn. (*Id.*). TES argues, therefore, that its efforts to register the trademark are being interfered with, in violation of this Court's order. (*Id.*).

## 2.

This Court's July 14, 2003 Order states, "Defendant Robin Singh is permanently enjoined from using the TESTMASTERS or TEST MASTERS marks, or any confusingly similar marks, within the State of Texas or directed at the State of Texas, including but not limited to uses via the Internet." (H-99-CV-2781, Instrument No. 241, at 1). TES alleges that "Singh continues to surreptitiously offer classes in Texas under the TESTMASTERS name and continues to direct advertisements to Texas via the Internet and through mass media." (Instrument No. 143, at 12).

TES argues that the "signs for Singh's classes held at the University of Houston Hilton clearly state that 'TESTMASTERS' classes are being held there. Further, the staff of the Hilton indicated to clientele that the 'TESTMASTERS' course was being held there. Moreover, Singh's own instructor referred to the class as 'TESTMASTERS' and directed interested parties to Singh's <testmaster180.com> web site." (*Id.*). As support for these allegations, TES provides a declaration by a private investigator, with photos of the Testmasters sign in the Hilton and a photocopy of the handwritten note the instructor made with the website address. (*Id.*, Exhibit C).

Singh argues that, to the contrary, he is not using the TESTMASTERS mark in Texas. (Instrument No. 166, at 11). Singh claims that he has taken "extraordinary steps to distinguish [his] use of the TESTMASTERS mark outside of

Texas from [his] activities within Texas" and that he only operates in Texas under the name ScorePerfect. (*Id.*, at 12). As support, Singh offers his own declaration with eleven exhibits attached, including pages from the ScorePerfect website, copies of ScorePerfect materials, and the contract between the Hilton and ScorePerfect. (*Id.*, Exhibit B). Singh claims that the incident in Houston when the Hilton posted "TestMasters" signs instead of "ScorePerfect" signs was "a mistake on Hilton's part, not a conscious act by Singh." (*Id.*, at 13). In addition, Singh argues that the private investigator who spoke to the instructor actually badgered the instructor and asked her leading questions. Singh offers the declaration of the instructor as support for the argument that she explained to the private investigator that her employer is called TestMasters in every state but Texas, where it goes by the name ScorePerfect. (*Id.*, at 14).

Replying to these arguments by Singh, TES claims that the web pages included in Singh's response have been altered since the filing of the contempt motion. (Instrument No. 167, at 16). TES attaches copies of the ScorePerfect site's pages as they allegedly appeared before being altered. (*Id.*, at Exhibit D). Specifically, TES argues that the pre-altered web site listed the copyright holder as "Testmasters/ ScorePerfect," whereas the post-altered web site listed the copyright holder as only "ScorePerfect." (*Id.*, at 16). TES also claims that Singh's site only included a link to TES's site after the alteration. (*Id.*, at 17).

In his Surreply, Singh states that TES's arguments and contentions are "illogical." (Instrument No. 140, at 13). Singh claims that it "defies reason to suggest that Singh would violate this Court's order and do business in Texas under the TESTMASTERS mark when Singh has spent a

fortune advertising and using the SCOREPERFECT mark for his Texas classes." (*Id.*). Singh also contends that "TES's claim that Singh has altered his website to deceive the Court is facially absurd." (*Id.*, at 14). Singh claims that the alterations were "minuscule" and "inconspicuous." (*Id.*).

### 3.

TES alleges that Singh's self-described "massive," "nationwide" advertising campaign tramples on the trademark rights this Court found to be held by TES. (Instrument No. 143, at 14-15).

In response, Singh claims that the "nationwide advertising campaign" complies with the Court's Order and that Singh "has taken great care to avoid confusion in Texas." (Instrument No. 166, at 14). Singh argues, "TES's complaint about 'national' Internet advertising is a telling example of its overreaching under the guise of enforcing the injunction. TestMasters has every right to advertise its test preparation courses under the name TestMasters, everywhere except Texas. Of course, there is no way to create geographic boundaries on the Internet, but TestMasters has done an admirable job." (*Id.*, at 14-15). Singh claims that he even provides a link on the ScorePerfect website to the TES website, "in case [prospective students] are looking for TES" instead of ScorePerfect/TestMasters. (*Id.*, at 15).

The main thrust of TES's reply to these arguments is, "For Singh to engage in 'massive' Internet advertising after the Fifth Circuit ruled that he had no trademark rights – and after TES was affirmed to have trademark rights throughout Texas and exclusive ownership of the TESTMASTERS domain

name, and after this Court enjoined him from doing so – is remarkably plain contempt.” (Instrument No. 167, at 18).

In his Surreply, Singh merely restates that the suspended application does not qualify as interference. (Instrument No. 140, at 12). Singh also contends that TES’s argument that the Singh’s application is blocking TES’s application “exposes its ulterior motive in bringing this contempt proceeding. TES is trying to gain filing priority over TestMasters’ application in the PTO even though it is undisputed that TestMasters filed its application first.” (*Id.*). Singh claims that the contempt action is merely an attempt to maneuver the registration application with the PTO. (*Id.*, at 12-13).

#### 4.

TES alleges that Singh registered the domain names <testmastersPE.com> and <testmastersEIT.com> in January 2003. (Instrument No. 143, at 15). These two domain names refer to test preparation courses for two exams – the PE and the EIT – which TES offers but which Singh does not. (*Id.*). TES also alleges that Singh registered the domain name <testmastersSAT.com> in November 2002, despite having never offered any SAT courses. (*Id.*, at 16). TES argues that Singh registered these domain names in order “to extract some sort of retribution against TES” and “to confuse consumers at the expense of TES’s established and judicially recognized trademark rights.” (*Id.*). In addition, TES alleges that Singh “intentionally designed [the <testmastersSAT.com> site so that consumers searching for TES’s legitimate SAT courses on the Internet,” using a search engine like Google, would be “likely to find Singh’s site by mistake.” (*Id.*).

Singh responds by confirming that he has registered these domain names, in addition to others. He has also registered the domain names <testmasterssat.com>, <testmastersgre.com>, and <testmastersgmat.com>. (Instrument No. 166, at 16). Singh states that he has registered these domain names because, “[s]ince starting business in 1991, Singh has planned to expand beyond the LSAT market and offer test preparation services for other standardized tests.” (*Id.*). Singh claims he has already provided tutoring for the GMAT, SAT, GRE, ACT, and MAT, and that he plans to launch courses for the MCAT, OAT, PE, and EIT. (*Id.*, at 16 n.9). These domain names, Singh states, are either in use or are registered in anticipation of their use; they are not intended to confuse. (*Id.*, at 16). In addition, Singh argues that TES has not presented any evidence of confusion to support his allegation that the domain names violate the injunction against confusing marks. (*Id.*).

TES contends in its Reply that it is not required to offer evidence of confusion in order to compel compliance with the Court’s Order. (Instrument No. 167, at 19).

Singh, in his Surreply, reiterates the argument that TES cannot argue confusion without providing evidence to support it. (Instrument No. 140, at 15). Singh argues that if confusion is a problem, TES should bring suit under the Anti-Cybersquatting Consumer Protection Act (“ACPA”), 15 U.S.C. § 1125(d). (*Id.*, at 15). Singh suggests that TES has not brought such a suit because it knows it cannot win. (*Id.*). Singh states that it “cannot be disputed that TestMasters has a legitimate interest in domain names containing ‘testmasters,’” and that “[i]n essence, TES is claiming that it has the exclusive right to any domain name using the word ‘testmasters.’” (*Id.*, at 16) (emphasis

omitted). Singh concludes that TES's allegations of bad faith are unfounded. (*Id.*).

## 5.

TES alleges that Singh "has employed (and continues to employ) numerous threatening and harassing tactics that show a disturbing lack of respect for the judicial process or civility." (Instrument No. 143, at 18). For example, TES claims that Singh and his agents have called TES's offices dozens of time a day, including 71 times on one day in May 2003. (*Id.*). TES alleges that these calls occasionally include the screaming of obscenities. (*Id.*).

In response, Singh argues that the "conduct for which TES seeks sanctions either is not sanctionable, not reviewable under the Court's limited power to enforce its prior orders, or did not occur." (Instrument No. 166, at 16). Singh claims that this Court's power is limited to sanctioning bad faith conduct in the judicial process and does not extend to conduct "that is completely outside the judicial process." (*Id.*, at 17). He also argues that the conduct complained of is not supported by cognizable evidence. (*Id.*, at 18). Singh confirms that his employees did call TES's toll free number, but he argues that these calls were justified, were "few in number," and were "by no means harassing." (*Id.*, at 19).

TES states in its Reply that, "[w]hile Singh would have this Court believe that all of TES's allegations are based on information and belief, . . . this is not the case." (Instrument No. 167, at 21). TES presents its telephone records as support for the allegations that Singh's representatives made many harassing phone calls to TES's toll-free number on May 13, 2003. (*Id.*, at Exhibit A-3). TES admits that "TES

is not, at this time, able to conclusively trace the phone calls to Singh's or his agents' office, home, or cell phones. If permitted additional, limited discovery, TES strongly suspects that the phone numbers referenced in TES's evidence will be traced to Singh or those acting in concert with him." (*Id.*, at 23).

In his Surreply, Singh restates that only a few calls were placed to TES. (Instrument No. 140, at 7). He then lists a few of these calls and discusses them. Singh argues that TES's evidence is far from conclusive. (*Id.*, at 8).

## 6.

TES also claims that Singh's counsel, Sharon Naim, contacted TES's president Roger Israni directly in August 2003, which is an act in violation of the California Rules of Professional Conduct. (Instrument No. 143, at 18). During this call, Ms. Naim allegedly purported to explain applicable law to TES's owner and threatened to file suit against TES in other states. (*Id.*).

In his Response, Singh argues that "[n]o attorney representing Singh has ever contacted TES directly. Sharon Naim has never acted as counsel for TestMasters or Singh in this case." (*Id.*, at 20). Singh claims that "Ms. Naim contacted Mr. Israni solely in her capacity as Singh's employee to discuss settlement." (*Id.*).

The Court notes that, according to Martindale-Hubbel, Ms. Naim was admitted to the California Bar in 1999. See [www.martindale.com](http://www.martindale.com). As an attorney, she is bound by the rules of ethical conduct, and she should have known better.

In its Reply, TES alleges that Ms. Naim “lied to this Court in exhaustive detail about the content of [the] contact” between herself and Mr. Israni. (Instrument No. 167, at 3-4). TES reveals that it recorded the August 21, 2003 conversation between Mr. Israni and Ms. Naim. As support for the allegation that Ms. Naim lied to the Court about the content of this conversation, TES presents a detailed table comparing the content of Ms. Naim’s testimony from her declaration to the recording of the conversation. (*Id.*, at 4-9). TES concludes this summary of Ms. Naim’s allegedly false testimony by stating, “Sharon Naim has knowingly submitted false testimony to this Court in a carefully crafted declaration. . . . Naim, an attorney, has submitted what appears to be clearly false testimony.” (*Id.*, at 9-10).

Singh states in his Surreply that the recording of the conversation with Ms. Naim is simply “evidence of TES’s duplicity.” (Instrument No. 140, at 4). Singh also claims that a second phone call between Naim and Israni “was initiated by Mr. Israni shortly after the conclusion of the first call and the gloves came off only when Mr. Israni’s audiotape stopped rolling.” (*Id.*, at 5). Singh also argues that “Sharon Naim has never acted as counsel for TestMasters or Singh in this case” and that “TES knows full well that TestMasters was represented by the law firm of O’Melveny & Myers LLP at the time of the [phone call between Israni and Naim.]” (*Id.*, at 11).

## 7.

TES also alleges that a caller, believed to be acting on behalf of and reporting back to Singh, called the accounting department of TES’s counsel, pretended to be a staff member of TES, and “obtained some information about billing and

insurance coverage as a result of her ruse.” (*Id.*, at 19). Similarly, TES claims that Singh’s counsel, Eli J. Richardson, “contacted TES directly in August 2003, falsely representing himself to be a student in New Jersey . . . , failed to identify himself as legal counsel, and misrepresented his interest in TES’s courses” in order to gain information from TES, in violation of the New Jersey Rules of Professional Conduct. (*Id.*).

Responding to these allegations, Singh argues that no “Singh representative contacted the accounting department of TES’s law firm,” and that Eli Richardson is Singh’s personal friend, not his counsel. Singh states that Mr. Richardson “made only one call and left his name and number. He did not claim he was a student.” (*Id.*).

In its Reply, TES reveals that the call made by Mr. Richardson was recorded. (Instrument No. 167, at 20). TES attaches what it alleges to be transcripts of both Mr. Richardson’s original voice mail message and the conversation held between Mr. Richardson and Mr. Israni when Mr. Israni returned the call. (*Id.*, at Exhibit A-4). According to the transcripts, Mr. Richardson gave his name only as “Eli,” never provided his last name, and represented himself as someone who had considered taking the TES LSAT course but who had chosen to go with Kaplan instead. (*Id.*). TES also states that Mr. Richardson is currently serving as an Assistant United States Attorney and was Singh’s prior counsel. (*Id.*, at 20).

In his Surreply, Singh argues that the “transcript of Mr. Israni’s return phone call to Mr. Richardson is wholly consistent with Mr. Richardson’s declaration.” (Instrument No. 140, at 11). Singh reasserts that Mr. Richardson called

TES "out of his own curiosity, not at Robin Singh's direction." (*Id.*, at 11-12). Apparently, Mr. Richardson does not have enough to do at the U. S. Attorney's office.

Singh also argues that Mr. Richardson did not lie when he testified that he did not represent himself as a student: "Through sleight of hand, TES implies that Richardson lied when he said that he did not represent himself as a student. In fact, Richardson clearly testified. . . that he did not represent himself as a student *during the initial voicemail*. He never testified as to the substance of his response to a caller that he thought was a telemarketer." (*Id.*, at 12 n.3) (emphasis in original) (internal citations omitted).

## 8.

TES claims that Singh "sent a letter directly to TES's insurer, arguing that the insurer should not cover Singh's claims against TES and purporting to brief the legal issues of such coverage. A copy of this letter is attached as Exhibit C." (Instrument No. 167, at 11) (emphasis omitted).

The Court notes that the copy of the letter attached as Exhibit C is a copy of a letter from Singh's counsel to TES's counsel, and not to TES's insurance company. (*Id.*, at Exhibit C). While the letter discusses insurance, it does not address the insurance company. The facsimile cover sheet, however, does reveal that Travelers Property Casualty was a recipient of the letter, as well. (*Id.*, Exhibit C, at 1).

In his Surreply, Singh argues that it was not improper to "[copy] TES's insurer on a settlement proposal directed to TES's counsel." (Instrument No. 140, at 10). In support of this contention, Singh refers to an article in Los Angeles

Lawyer. (*Id.*). In addition, he distinguishes the case at bar from three cases relied upon by TES. (*Id.*).

## 9.

TES claims that Mr. Singh verbally and physically threatened TES's counsel outside federal district Judge Percy Anderson's courtroom in California. (Instrument No. 143, at 17). As support, TES provides the transcript of the hearing in that court, which refers to the altercation. (*Id.*, Exhibit E, at 51-53). The altercation happened outside the courtroom, after the hearing. Marshals were called, and the parties attempted to explain on the record what had happened. (*Id.*). The court, clearly frustrated by the situation and by the conflicting stories of the parties, instructed everyone to go home quietly or else someone would be going to jail that day:

Unless somebody wants to go to jail and spend the night in lockup tonight, there better – there should not be another incident of any kind. When you leave here, you go straight to your car and hope that you get home safely. Do not make another incident, either the lawyers or the client. . . Am I clear? If I hear of one more incident in this courthouse, somebody will go to jail today. No questions asked.

(*Id.*, at 53).

In his Response, Singh states that he did not verbally and physically threaten TES's counsel. (Instrument No. 166, at 20). Singh also calls TES's request for sanctions based on the Singh's alleged conduct "in another federal court in front of another federal judge" an "unprecedented" request. (*Id.*).

Singh "vehemently denies TES's outrageous allegations." (*Id.*, at 21). Singh argues that the presiding judge was in the best position to assess the need for sanctions and contends that there is no basis upon which to question Judge Anderson's decision not to sanction Singh. (*Id.*).

TES claims, in its Reply, that "Singh's testimony regarding the incident in the Los Angeles courthouse differs radically from the facts set forth in the transcript, the testimony of [TES's counsel] Jeffrey Tidus, and the recollection of undersigned counsel." (Instrument No. 167, at 19). As support, TES attaches the Declaration of Jeffrey A. Tidus. (*Id.*, Exhibit F).

Singh suggests in his Surreply that the declaration of Jeffrey Tidus is false. (Instrument No. 140, at 7). Singh claims that Mr. Tidus attempted to create a scene, and that "at least three other observers" remember a different set of events. (*Id.*).

## 10.

In its Notice of Further Contempt, TES claims that "Singh has placed additional ads holding himself out as 'Testmasters' to students seeking information about Texas law schools." (Instrument No. 181, at 2). The Notice reports that Singh continues to advertise as "TESTMASTERS" in the U.S. News & World Report issue on law schools and on "specific web pages regarding every law school in Texas." (*Id.*). The attached web site pages reveal that "TestMasters" is emblazoned at the top and bottom of every page for each individual law school. (*Id.*, Exhibit A). TES only attached pages relating to Texas law schools.

In response, Singh states that “[i]mmediately upon receiving TES’s ‘notice,’ TestMasters took remedial efforts. A simple phone call or letter would have accomplished the same result. But extending such a courtesy is not consistent with TES’s ongoing strategy.” (Instrument No. 184, at 1-2). Singh claims that he did not “conspire with *U.S. News* to place the TESTMASTERS name specifically on web pages with information on Texas schools. Rather, the contract with *U.S. News* called for the banner advertisement to appear throughout the . . . website randomly.” (*Id.*, at 2). Singh alleges that TestMasters contacted *U.S. News*, after the original contempt motion was filed, to “inquire whether it was technically feasible to remove its banner ad from the web pages referencing Texas law schools. At the time, *U.S. News* indicated that it could not do so.” (*Id.*). He claims that TestMasters contacted *U.S. News* again after the Notice of Further Contempt was filed, but to no avail. (*Id.*, at 3). “As a result of this communication and TES’s continuing harassment, TestMasters has designed a new advertisement” which will include the statement that the company is known as ScorePerfect in Texas, and which “will be up shortly.” (*Id.*).

## 11.

Finally, TES also claims, in its Notice of Further Contempt, that Singh “falsely claims to be the holder of a registered trademark for TESTMASTERS despite the prior cancellation of that registration by order of this Court.” Instrument No. 181, at 2). TES states that Singh’s ads “conspicuously include the ® symbol next to his improper use of TESTMASTERS” and that this “symbol is exclusively for use with registered marks, and Singh’s misuse of the symbol

without a valid registration is fraud." (*Id.*) (citations omitted). The Court notes that the web pages attached to the brief do include the ® mark after the name "TestMasters." (*Id.*, Exhibit A).

In his Response, Singh declares that the use of the ® was "accidental and has been corrected." (Instrument No. 184, at 3). He states that the presence of the ® on the *U.S. News* website was an oversight, that the mark does not appear on any other website or any other materials, and that it has been removed from the *U.S. News* advertisements. (*Id.*).

## II.

The Court must respond to unethical conduct occurring in connection to any pending proceeding. *Woods v. Covington County Bank*, 537 F.2d 804, 809-10 (5th Cir. 1976). A district court may act *sua sponte* to impose sanctions for violations of the Federal Rules of Civil Procedure. *Chambers v. Nasco, Inc.* 501 U.S. 32, 42 n.1 (1991). The Court also has an inherent power to discipline counsel for ethical violations. *Resolution Trust Corp. v. Bright*, 6 F.3d 336, 340 (5th Cir. 1993). In order to sanction an attorney under its inherent power, the Court must make a specific finding that the attorney acted in bad faith. *Id.* The source for professional standards in federal court are the canons of ethics developed by the American Bar Association, however, the Court may also hold an attorney accountable to state standards. *Id.* at 341. Local Rule 1A for the Southern District of Texas provides that the Texas Disciplinary Rules of Professional Conduct establishes the minimum standard of practice before this Court.

**III.**

The Court believes that Singh has only made a half-hearted effort to comply with this Court's lawfully issued Order, of July 14, 2003 (99-CV-278 1, Instrument No. 241), and that Singh has only done so in response or reaction to the filing of this Motion for Contempt.

The Court's order clearly prohibited Singh from pursuing registration of the mark or interfering with registration of the mark by TES. Mr. Singh made an insincere effort to remedy the fact that he had applied for the mark and interfered with TES's registration of its mark by seeking a "suspension" of his application, instead of withdrawing it entirely.

The Court also prohibited Singh from using the name TESTMASTERS in Texas. Again, Singh used the registered mark on his website – accidentally, of course – and allowed a TestMasters sign to be posted by the Hilton – accidentally, of course.

It appears to this Court that the Plaintiff had no regard for the lawful order issued by this Court. Although this Court believes that the actions of Singh are arrogant at best and contemptuous at worst, perhaps if this Court reiterates, with more detail, the parameters and requirements of its order to Mr. Singh, he might abide by it this time and avoid the future risk of sanctions by this Court against him and his counsel.

**IT IS HEREBY ORDERED that:**

1. Defendant Robin Singh is PERMANENTLY ENJOINED from pursuing registration of the TESTMASTERS or TEST MASTERS marks – or

any mark with the words "Test" and "Masters" placed next to each other – in the United States Patent and Trademark Office;

2. Defendant Robin Singh must WITHDRAW his current, pending application from the United States Patent and Trademark Office, and he is ENJOINED from refilling such application at any time, unless this order is specifically reversed or withdrawn;
3. Defendant Robin Singh is PERMANENTLY ENJOINED from interfering with or opposing Test Masters Education Services, Inc.'s registration of the TESTMASTERS or TEST MASTERS marks in the United States Patent and Trademark Office. "Interfering with or opposing" includes pursuing his own application for a mark of the same name. "Interfering with or opposing" also includes suspending his own application for a mark of the same name instead of withdrawing it;
4. Defendant Robin Singh is PERMANENTLY ENJOINED from using the TESTMASTERS or TEST MASTERS marks, or any confusingly similar marks, Within the State of Texas or directed at the State of Texas, including but not limited to uses via the Internet. Defendant Singh is hereby PUT ON NOTICE that such use of the marks by any of his agents, associates, or parties with whom he is in contract qualifies as a violation of this order; and
5. Defendant Robin Singh is PERMANENTLY ENJOINED from communicating directly with, threatening, or harassing Test Masters Educational

Services, Inc., its employees, its staff, or TES's counsel, counsel's employees, or counsel's staff.

Defendant Robin Singh's filing of numerous actions across the country, while arguably based on different facts and involving different parties, seems to this Court to be a part of Mr. Singh's campaign of terror. The courts should not have to be a part of such obviously vexatious litigation, and because this Court believes that the issues that have been raised in those suits bear a striking resemblance to this one, the Court is forwarding a copy of this order as well as its order on the *res judicata* issue to each of those courts. It is also the strong suggestion of this Court that TES forward a copy of this order and the summary judgment order to any other court in which a similar action has been or may be filed.

Additionally, the Court is forwarding a copy of this order, the summary judgment order, and the injunction order to the Patent and Trademark Office with a request that the PTO take whatever steps are necessary to facilitate the registration of the mark at issue by TES, including, but not limited to, cancelling the "suspended" application that was wrongfully filed by Robin Singh. In addition, based on the information that has come to light because of this motion, a copy of the above referenced orders will also be forwarded to Sharon Naim, Eli Richardson, and Travelers Property Casualty.

Finally, while it seems quite clear to the Court that Mr. Singh is willing to spend unlimited amounts of money to continue this campaign of terror, the Court believes that Mr. Singh's lawyers have a moral, ethical, and professional responsibility not to pursue litigation or take legal action – however profitable it may be – that is a vexatious example of the

mean spirited and callous greed that seems to have overtaken this country. "Why can't we all just get along?"<sup>2</sup>

So one more time, Mr. Singh, withdraw your application from the Patent and Trademark Office for the TESTMASTERS mark (or any version of that mark); and stop threatening and harassing TES, its agents, and counsel. Although the Court declines to enter an order of contempt at this time, it reserves the right to reconsider this or another motion by Defendant TES if the Plaintiff should continue to engage in contemptuous conduct in the future.

#### IV.

Based on the foregoing, IT IS HEREBY ORDERED that Test Masters Educational Services, Inc.'s Motion to Hold Robin Singh in Contempt (Instrument No. 143) is **DENIED without prejudice**; its Motion for Sanctions (Instrument No. 143) is **DENIED without prejudice**; and its Motion for Limited Discovery in Support of Same (Instrument No. 143) is **DENIED as moot**.

The Clerk shall enter this Order and provide a copy to all parties.

**SIGNED** on this 16th day of September, 2004, at Houston, Texas.

/s/  
**VANESSA D. GILMORE**  
**UNITED STATES DISTRICT JUDGE**

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<sup>2</sup> Rodney King, 1992.

**Appendix E**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**ROBIN SINGH EDUCATIONAL SERVICES INC.**

**versus**

**TEST MASTERS EDUCATIONAL SERVICES, INC.**

**Civil Action No. H-99-2781**

**Judge Vanessa D. Gilmore**

**Entered July 14, 2003**

**ORDER GRANTING TEST MASTERS  
EDUCATIONAL SERVICES, INC.'S MOTION FOR  
MODIFICATION OF FINAL JUDGMENT  
AND PERMANENT INJUNCTION**

Having considered Plaintiff Test Masters Education Services, Inc.'s Motion for Modification of Final Judgment and Permanent Injunction (#229), the Court finds that there is just cause to grant the requested relief. Accordingly, it is hereby ORDERED that:

1. Defendant Robin Singh is permanently enjoined from pursuing registration of the TESTMASTERS or TEST MASTERS marks in the United States Patent and Trademark Office;
2. Defendant Robin Singh is permanently enjoined from interfering with or opposing Test Masters Education Services, Inc.'s registration of the TESTMASTERS or TEST

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MASTERS marks in the United States Patent and Trademark Office;

3. Defendant Robin Singh is permanently enjoined from using the TESTMASTERS or TEST MASTERS marks, or any confusingly similar marks, within the State of Texas or directed at the State of Texas, including but not limited to uses via the Internet; and

4. Pursuant to 15 U.S.C. § 1119, the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office must rectify the register by canceling as invalid Defendant Robin Singh's federally-registered service mark for TESTMASTERS.

SIGNED this 11th day of July 2003.

Vanessa D. Gilmore /s/  
United States District Judge

**Appendix F**

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT**

**No. 01-20659**

**TEST MASTERS EDUCATIONAL SERVICES, INC.,  
Plaintiff - Appellee - Cross-Appellant,**

**versus**

**ROBIN SINGH, doing business as Testmasters,  
Defendant - Appellant - Cross-Appellee.**

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**ROBIN SINGH, doing business as Testmasters, Plaintiff  
- Appellant - Cross Appellee,**

**versus**

**TEST MASTERS EDUCATIONAL SERVICES, INC.;  
VIVEK ISRANI, Defendants - Appellants - Cross-  
Appellees.**

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**Appeal from the United States District Court  
For the Southern District of Texas  
(No. H-99-CV-2781)  
July 24, 2002**

Before KING, Chief Judge, PARKER, Circuit Judge, and ELLISON, District Judge.

PER CURIAM\*\*\*:

Both sides in this complicated trademark case suffered a partially adverse judgment from which they each appeal. We reverse in part, vacate in part, and remand.

## BACKGROUND

This matter arises from competing claims to the domain name testmasters.com. Plaintiff is Test Masters Educational Services, Inc.<sup>1</sup> The company is in the test preparation business; it helps individuals pass or achieve higher scores on the SAT, GMAT, MCAT, and other standardized tests, and professional licensing exams, like the Professional Engineer Exam. Haku Israni ("Israni") started the company in 1991 and offered his first test prep course in March, 1992. In May 1994, Israni incorporated the business, making his son Vivek ("Roger") Israni its sole owner and president. TES has offered courses continuously since 1992. Most are taught in Houston, where the company is headquartered, but some have been taught in other cities around Texas. The company has never taught any courses outside the state.

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\* District Judge of the Southern District of Texas, sitting by designation.

\*\* Pursuant to 5TH CIR. R. 47.5, the Court has determined that this opinion should not be published and is not precedent except under the limited circumstances set forth in 5TH CIR. R. 47.5.4.

<sup>1</sup> The record shows that the company does business under its full name, but for the sake of simplicity we will refer to it by the acronym used by the parties in their briefs - "TES."

Defendant is Robin Singh. He does business under the name TestMasters,<sup>2</sup> and like TES also offers test prep services. His business is limited to the LSAT, however.<sup>3</sup> Singh operates out of Beverly Hills. He began business in 1991, and through 1996 only offered courses in California.<sup>4</sup> He applied for federal registration of TestMasters on June 23, 1995. His application was initially denied, the Patent and Trademark Office ("PTO") having found that three marks substantially similar to his had already been registered. After determining that none of the three marks were still in use, the PTO approved Singh's application in March, 1999 (No. 2,234,514).

In October 1995, several months after Singh applied for federal registration, TES acquired rights to the domain name at issue. At first, TES used the domain name to operate a passive web page--that is, one that only shows information posted by its sponsor. The page listed the exams for which TES helped individuals prepare, gave the company's Houston address and toll-free phone number, and provided a link to the company's email address, [info@testmasters.com](mailto:info@testmasters.com).

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<sup>2</sup> The words test and masters are run together without a space, with the T and M capitalized. Sometimes the mark appears in all capitals – "TESTMASTERS."

<sup>3</sup> TES does not provide LSAT instruction.

<sup>4</sup> In 1997, Singh offered an LSAT prep course in Colorado. In 2000, he began offering courses in a number of states, including Illinois and New York and in the District of Columbia.

<sup>5</sup> The mark is registered for use in connection with "educational services, namely, providing courses of instruction and materials to prepare students to take and achieve higher scores on standardized admission tests for graduate and professional schools."

In 1999, Singh decided to create his own web site, but soon discovered that TES already had the rights to testmasters.com. On August 7, his attorney sent TES a demand letter, claiming that its use of the domain name infringed on Singh's trademark rights. He promised to file suit if TES did not relinquish the domain name. TES instead itself filed suit on August 30. In its complaint, TES sought a declaration of non-infringement and asserted alternatively that Singh's mark was invalid for being descriptive without a secondary meaning and for Singh's having committed fraud on the PTO. On June 30, 2000, Singh initiated a separate action against TES, alleging infringement and unfair competition under California law. TES answered and asserted an additional defense--that it was an innocent prior user of its Test Masters mark. The two suits were consolidated. Following discovery, the district court granted summary judgment on the fraud claim, concluding that Singh had no duty to update his application with the PTO upon learning of certain others' use of similar marks.

The remaining claims were tried to a jury beginning February 5, 2001. After a five-day trial, the jury found that Singh's mark was descriptive but that it had acquired a secondary meaning; and that TES had infringed on Singh's mark but that TES was immune from liability as an innocent prior user. The jury also found that TES had "engaged in unfair competition in the State of California through the use of the domain name . . . ." In all relevant respects, the district court denied the parties' renewed motions for judgment as a matter of law. It subsequently ordered the director of the PTO to modify Singh's trademark registration to confer in TES the exclusive right to use its mark within Texas, in accordance with the jury's finding on the scope of

TES's prior usage. The district court also ordered TES to transfer its ownership of testmasters.com to Singh.

Both sides appeal on numerous grounds.

## DISCUSSION

Trademark law protects buyers and sellers against confusion in the marketplace. *See RESTATEMENT (THIRD) OF UNFAIR COMPETITION* § 9 cmt. c (1995) (hereafter "RESTATEMENT"). When a mark identifies the manufacturer of the product on which it appears, buyers can "base their purchasing decisions on the reputation of the business identified by the mark." *See id.* A distinctive mark is one that identifies the source of its user. *See Sugar Busters, LLC v. Brennan*, 177 F.3d 258, 268 (5th Cir. 1999). The holder of a distinctive mark can enjoin the use of similar marks that are likely to cause confusion. *See 15 U.S.C. § 1114(1)(a).* A descriptive mark, on the other hand, denotes "a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients." *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790 (5th Cir. 1983). It is not inherently connected with a particular seller and therefore buyers do not treat it as a proxy for anyone's products. *Cf. RESTATEMENT* § 13. Without an association between the mark and a seller in the minds of buyers, its use by multiple sellers will not cause confusion. *See 2 J. THOMAS McCARTHY, McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 15:11 (4th ed. 1992) (hereafter "McCarthy").

A descriptive mark can acquire distinctiveness, however, if it attains a secondary meaning. *See RESTATEMENT* § 13(b). A secondary meaning arises "when, because of association

with a particular product or firm over a period of time, the [mark] has in the mind of the public come to stand as a name or identification for that product or firm." *Continental Motors Corp. v. Continental Aviation Corp.*, 375 F.2d 857, 861 (5th Cir. 1967). Where consumers have made such a connection, subsequent use of similar marks may result in confusion. *See 2 MCCARTHY 15:11*. The question whether there "is a mental association in buyer's minds between the alleged mark and a single source of the product . . . is primarily an empirical inquiry." *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 253 (5th Cir.1997) (internal quotations omitted). Thus, "survey evidence is the most direct and persuasive evidence of secondary meaning." *Id.* at 253-54. Other kinds of evidence tending to show secondary meaning include "length and manner of the use of a mark, the nature and extent of advertising and promotion of the mark, and the sales volume of the product, and instances of actual confusion." *Id.* The holder of a descriptive mark has priority over another's use of a similar mark only in the area in which secondary meaning has been established. *See 2 MCCARTHY § 16:34*.

The fact of registration is *prima facie* proof that a registered mark is distinctive. *See Vision Center v. Opticks, Inc.*, 596 F.2d 111, 119 (5th Cir. 1979) (citing 15 U.S.C. § 1057(b)). This presumption can be overcome by showing that the mark is merely descriptive. *See id.* The burden then shifts to the registrant to prove that the mark has acquired a secondary meaning. *See 2 MCCARTHY 11:43*. The burden is "substantial," *Bank of Texas v. Commerce Southwest, Inc.*, 741 F.2d 785, 787 (5th Cir. 1984), requiring a "high degree of proof," *Sugar Busters*, 177 F.3d at 269. The proponent of a descriptive mark is not required to show that a majority of the buying public associates the mark with its business, but it

must at least show that "a significant quantity of the consuming public understand a name as referring exclusively to the appropriate party . . ." *President & Trustees of Colby College v. Colby College-N.H.*, 508 F.2d 804, 807 (1st Cir. 1975); *see RESTATEMENT* § 13 cmt. e. Failure to establish secondary meaning is grounds for cancellation of a federal registration. *See Zatarains*, 698 F.2d at 792 (relying on 15 U.S.C. § 1119).

Singh does not contest the jury's finding that his mark is descriptive. Accordingly, we must only decide if the district court erred in not granting judgment as matter of law on the question of secondary meaning. We review the district court's denial of judgment a matter of law *de novo*, applying the same legal standard as it did. *See Cooper Indus., Inc. v. Tarmac Roofing Sys., Inc.*, 276 F.3d 704, 707 (5th Cir. 2002). "If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law . . ." FED. R. CIV. P. 50(a)(1). To determine whether the evidence is legally sufficient we view it against the non-movant's substantive burden of proof. *See* 9A CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 2524 (2d ed. 1994 & Supp. 2002).

Before proceeding to analyze the record on the question of secondary meaning, we first address and dispose of an argument advanced by TES in its briefs and during oral argument. TES notes that the proponent of a descriptive mark must show that its mark established a secondary meaning before others began using it. *See* 2 McCARTHY § 16:34. TES argues that its use of Test Masters was first and

that Singh cannot therefore establish secondary meaning. This would ordinarily be true — assuming for the moment that TES's use was indeed first-in-time — if TES and Singh were operating in the same geographic area. *See* RESTATEMENT § 13 cmt. e; 2 MCCARTHY § 16:34. But they do not: TES and Singh have their businesses far away from each other, and except for TES's use of the disputed domain name there is no claim by either party that the other had a presence in its market area. Thus, because TES never did business anywhere besides Texas, TES's having used its Test Masters mark first does not prevent Singh's mark from establishing a secondary meaning in California. *See Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 415 (1916) (“[W]here two parties independently are employing the same mark upon goods of the same class, but in separate markets wholly remote the one from the other, the question of prior appropriation is legally insignificant . . . .”).

At trial, Singh introduced four advertisements that appeared in the *Daily Bruin*, the student newspaper of the University of California at Los Angeles. The ads ran in 1994. All compare Singh's product to those of his competitors—namely, Kaplan and Princeton Review. One, for example, compares the features of each course (Singh's and the others'), including number of lecture hours, instructor qualifications, class size, and cost. Two contain testimonials from satisfied customers.<sup>6</sup> Another ad was apparently run in response to Kaplan's claims about Singh's course. Singh

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<sup>6</sup> This one is typical: “I commuted from Santa Barbara to take the TestMasters LSAT Course, and believe me, it was worth it. Nobody else could have taken me from a 157 (75th percentile) to a 166 (95th percentile).” TES has waived any challenge to the admissibility of these statements.

testified that Kaplan as well as Princeton Review have referred to his company "hundreds of times" in their ads.

We conclude that these ads do little to prove that consumers in southern California – which we assume is Singh's product area for purposes of this opinion – have associated TestMasters with Singh's business. The probative value of advertising depends on the presence of data regarding its reach, frequency, and duration. *See 2 MCCARTHY § 15:51.* In this case, there is no evidence regarding the *Daily Bruin*'s area of distribution, although it likely does not extend beyond the UCLA campus and its environs. Further, it appears that the four ads in question ran within just a few months of each other in 1994 – a fact that hardly suggests a lasting campaign of product promotion. As for the testimonials, all told the ads contain only five. Obviously, testimonials that are few in number or do not otherwise fairly represent the public's sense regarding a descriptive mark have little probative value regarding secondary meaning. *See RESTATEMENT § 13 cmt. e.* The record reveals no other evidence of advertising, nor has Singh directed our attention to any. (Indeed, Singh's brief on this issue contains no record citations at all.) Regarding Kaplan's and Princeton Review's advertising, instances where third parties have used a descriptive mark to refer to its holder may constitute evidence of secondary meaning. *See American Heritage Life Insur. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 13 (5th Cir. 1974). There is no direct evidence of any such references in this case, however. And as with Singh's own ads, the record is silent regarding how prevalent they were.

On the other hand, there is evidence that some would-be customers contacted TES but meant to contact Singh's business instead. Such evidence tends to show that the public

has connected the TestMasters mark with Singh's business. *See* 2 MCCARTHY § 15:11 ("[I]f buyers are confused, then this also means that they must have recognized plaintiff's word as a trademark and associated it only with plaintiff."). The evidence is in the form of forty or so email messages from individuals interested in taking an LSAT prep course. The first messages are dated May and June, 2000. Most are from individuals writing from California. In some messages, it is clear that the writers specifically intended to contact Singh's business, as opposed to merely inquiring whether TES itself offered LSAT preparation.<sup>7</sup> But the majority of email messages are more ambiguous. Typical is this one: "I was interested in finding out some information about your lsat course." Such messages – there are about twenty or so like it – indicate that the writer understands that the addressee in fact offers an LSAT prep course ("your LSAT course"). Of course the addressee in this case – TES – does not, which may suggest the writers intended to contact Singh's business in the first place. A third class of messages shows no evidence of confusion at all. These messages simply request information about LSAT prep courses, but in no way demonstrate extant knowledge about the addressee's business. One for example says: "I was wondering if you offered courses for LSAT prep?" In response to all of these

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<sup>7</sup> For example, one reads: "I plan to take the June 2001 LSAT exam. A co-worker of mine recommended that I contact you. She took your LSAT prep course and will be attending the University of Michigan in the Fall! I am very interested in your services and would like to receive some information." Another reads: "I signed up and took your LSAT course in the summer of 1999 at Bo[a]lt Law School, UC Berkeley. I decided against taking the exam last year and would like to take it this year. I understand if I already payed for the course the first time it is much cheaper to retake it. . ."

messages, TES, through its attorney, wrote that it does not offer LSAT courses, and sometimes said, "I think the company you are looking for is [www.testmasterslastprep.com](http://www.testmasterslastprep.com)" (i.e., the web site address for Singh's business). Other responses referred the sender to Singh's page as well as to Kaplan's and Princeton Review's.

We conclude that these email messages are some evidence that Singh's mark has established a secondary meaning.<sup>8</sup> But we must evaluate this evidence against Singh's overall substantive burden of proof – which as we noted is quite high. Besides the above- discussed messages, there is little or no evidence regarding secondary meaning. We have already commented on Singh's evidence of advertising and product promotion. Additionally, Singh has introduced no evidence of his sales and revenues. Such data would help us understand Singh's market penetration. Furthermore, Singh has failed to offer any survey evidence – a fact though not fatal substantially diminishes the overall strength of his proof in a case as close as this one. Other kinds of helpful evidence are also lacking. For example, if Kaplan and Princeton Review are as familiar with his business as he claims, testimony from their representatives would help show Singh's business is well-established and prominent. Additionally, he could have secured affidavits from individuals who have learned of his business through word-of-mouth or personal experience. Simply put, Singh has failed to show that "a significant quantity of the consuming

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<sup>8</sup> It is unclear when TES first established a web page at [testmasters.com](http://testmasters.com). If it did soon after it acquired rights to the domain name, in 1995, as some evidence indicates, then the fact that there is no evidence of confusion from 1995 until mid 2000 suggests that the email messages discussed above are anomalous.

public" associates the TestMasters mark with his business. We are therefore constrained to conclude that the district court erred in denying TES's Rule 50 motion on the question of secondary meaning.

Having determined that Singh's mark has not established a secondary meaning, we vacate judgment for Singh on his common law unfair competition claim. The district court instructed the jury that to find TES liable for unfair competition under California law Singh had to show that TES's "actions are likely to cause confusion, or to cause mistake, or to ~~deceive~~ . . . ." For any of these things to occur, consumers must first "be looking for" the TestMasters mark. *See* 2 MCCARTHY 15:11 (internal quotation omitted). Because Singh has failed to prove that individuals in southern California "look for" Singh's mark, "no act of [TES's] can operate to deceive the public in its identification of [Singh]" *Id.*

## CONCLUSION

In light of the foregoing, we REVERSE the district court's denial of TES's motion for judgment as a matter of law on the issue of secondary meaning. We VACATE its judgment for Singh for unfair competition under California law and RENDER for TES instead. We VACATE its order compelling TES to relinquish the disputed domain name. Finally, we REMAND for entry of a order that Singh's trademark is invalid. *See* 15 U.S.C. § 1119.

## **Appendix G**

### **UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA**

**ROBIN SINGH EDUCATIONAL SERVICES, INC.,  
DOING BUSINESS AS TESTMASTERS, a California  
corporation, Plaintiff,**

v.

**TEST MASTERS EDUCATIONAL SERVICES, INC., a  
Texas corporation, Defendant.**

**Case No. H-03-3346  
Filed June 23, 2003**

### **COMPLAINT FOR VIOLATION OF THE LANHAM ACT, INFRINGEMENT OF CALIFORNIA REGISTERED TRADEMARK, COMMON LAW TRADEMARK INFRINGEMENT, AND STATE UNFAIR COMPETITION**

Plaintiff Robin Singh Educational Services, Inc., doing business as TestMasters ("TestMasters"), by its attorneys, O'Melveny & Myers, L.L.P., for their complaint against Defendant Test Masters Educational Services, Inc. ("TES" or "Defendant") alleges as follows:

#### **THE NATURE OF THE ACTION**

1. This is an action for (1) unfair competition, false designation of origin, and deceptive advertising under section 43(a) of the Lanham Federal Trademark Act, 15 U.S.C. § 1125(a), due to Defendant's blatant and willful

violation of Plaintiff's intellectual property rights related to its trademark TESTMASTERS, including but not limited to knowingly and intentionally misrepresenting and falsely designating to the general public the nature, origin and source of TES' LSAT test preparation services, and (2) infringement of a registered trademark, common law trademark infringement, and unfair competition under California state law. In particular, this action concerns Defendant's shameless efforts to deceive consumers by using Plaintiff's valuable trademark outside of Texas without permission in an attempt to destroy TestMasters' business and reputation and usurp the brand name and goodwill that TestMasters has worked so hard to earn in the LSAT test preparation market.

### THE PARTIES

2. Plaintiff Robin Singh Educational Services, Inc., doing business as TestMasters is a California corporation with its principal place of business at 1620 26th Street, Suite 1000 North, Santa Monica, CA 90404. Plaintiff is and, at all times material herein, was engaged in the business of offering live classes, private tutoring, and admissions consulting nationwide to assist prospective law students in preparing for the Law School Admissions Test ("LSAT").

3. Upon information and belief, Defendant TES is a Texas corporation with offices at 10899 Kinghurst, Houston, Texas 77099. Defendant is in the test preparation business, primarily assisting high-school students in preparing for the SAT exam.

**JURISDICTION AND VENUE**

4. This is an action seeking injunctive relief with respect to false designation of origin, unfair competition, and deceptive advertising under section 43(a) of the Lanham Federal Trademark Act, 15 U.S.C. § 1125(a), California registered and common law trademark infringement, and state unfair competition under California Business and Professions Code §§ 14320 and 17200 et seq. This Court has federal question subject matter jurisdiction over the federal claims pursuant to 28 U.S.C. §§ 1331, 1338(a) and 15 U.S.C. § 1121, and has subject matter jurisdiction over the state law claims under 28 U.S.C. §§ 1338(b) and 1332, and the doctrine of supplementary jurisdiction.

5. Upon information and belief, this Court has personal jurisdiction over Defendant because it has committed tortious acts within the State and/or has committed tortious acts outside California causing injury within the State of California.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391.

**FACTUAL BACKGROUND**

**TestMasters' Growth**

7. TestMasters was founded in August 1991, when Robin Singh began offering classes to college students and recent graduates in order to help them prepare for the Law School Admission Test ("LSAT"). At first, TestMasters only offered classes in California.

8. Over time, however and particularly in the past four years, TestMasters' business has grown tremendously, expanding from California to 35 states and provinces across the United States and Canada, and broadening into test other than the LSAT, such as the GMAT.

9. With this growth, TestMasters has seen significant increases in its revenue, student enrollment, number of classes, and number of locations in which classes are offered.

10. In 1999, TestMasters had approximately 1,162 students enrolled in 42 classes, all of which were taught in California. In 2002, student enrollment grew to approximately 6,686, with 287 classes taught in 31 states, the District of Columbia, and in Canada.

11. The number of TestMasters employees has likewise substantially increased in the past few years. In 2001, TestMasters had approximately 45 employees, approximately 23 of whom were instructors. Today it has more than 300 permanent employees, 112 of whom are instructors, as well as hundreds of temporary employees.

12. TestMasters' revenue has increased from approximately \$700,000 in 1999 to over \$7,000,000 in 2002.

13. As a result of this significant growth, TestMasters is currently one of the five largest test preparation companies in the country and one of the top LSAT preparation companies in the world.

14. In California, its first and still largest market, TestMasters is the leading LSAT preparation company,

enrolling more students in California than Kaplan, which is the leading LSAT preparation company nationally.

15. TestMasters is recognized by top people in the testing industry as one of the major players in the field of LSAT preparation. Stanley D. Chess, the former President of Barbri, the largest test preparation company for the bar admissions exam, views TestMasters as one of the top companies in the LSAT test preparation market.

**TestMasters' Nationwide Advertising Campaign**

16. When TestMasters first began offering classes in California in 1991, it advertised in California college newspapers and flyers, a practice that continues today.

17. In the past three years, however, TestMasters developed a national advertising campaign that has grown each year.

18. In 2000, TestMasters spent approximately \$11,000 on print advertising, which included advertisements in UCLA's *Daily Bruin*, the *Stanford Daily*, and the *Pacific Bell Yellow Pages*.

19. In 2001, TestMasters increased its spending on print advertising to over \$74,000, and in 2002, TestMasters more than doubled its spending to nearly \$200,000 on print advertising in several magazines and newspapers, including the *Roll Call*, *The Unofficial Guide to Life at Harvard*, the *Pacific Bell Yellow Pages*, and many university papers, including but not limited to those for Northwestern, Cornell, Columbia, Georgia Tech, Duke, Emory, the University of Florida, UCLA and UC Santa Barbara.

20. TestMasters also invested over \$130,000 in marketing materials in 2002, which included TestMasters brochures and promotional materials for prospective LSAT students.

21. In 2002, TestMasters decided to undertake a massive nationwide advertising campaign to increase national exposure by advertising TestMasters in *U.S. News & World Report* magazine and the related Web site.

22. TestMasters took out a full-page advertisement in the April 15, 2002 issue of *U.S. News & World Report*, which focused on "America's Best Graduate Schools" – the issue known to be the number one seller for *U.S. News & World Report* annually.

23. TestMasters also bought ads on the *U.S. News & World Report* Web site (which receives 24 million monthly page views), in which TestMasters' logo, Web site address, and toll-free number prominently appear not only on the Web page listing the top law schools in the United States, but also on the top of each individual Web page describing the 100 law schools listed.

24. TestMasters also invests heavily in on-line advertising and key word searches to further publicize the company. In 2000, TestMasters spent approximately \$1,000 on world wide web advertising. That spending increased to approximately \$30,000 in 2001, \$89,000 in 2002, and by today, has already reached over \$100,000 for 2003.

25. TestMasters advertises on many well-known search engines, including but not limited to Yahoo.com,

Google.com, LookSmart.com, Lycos.com, and Overture.com.

26. Yahoo.com and Google.com are reputed be by far the most popular search engines, and in the past year-and-a-half TestMasters has spent more money on advertising keywords containing "lsat" on these two search engines than any other test preparation company.

27. Consequently, when consumers use search engines to seek information about LSAT preparation courses, TestMasters' name is almost always listed first.

28. There are also many internet search engines that voluntarily link viewers to the TestMasters Web site, including but not limited to Netscape, Ask Jeeves, and Altseek.

29. There are also many Web sites from universities, pre-law societies, and pre-law advisors and societies that voluntarily link viewers to the TestMasters Web site.

30. Moreover, TestMasters has placed classified advertisements seeking qualified instructors in the newspapers of many colleges located throughout the country, including but not limited to Arizona State, Berkeley, UCLA, University of Chicago, University of Colorado, Columbia, New York University, Duke, Georgetown, Harvard, University of Pennsylvania, Notre Dame, Stanford, Yale and Oregon State, and on university employment Internet sites. These classified ads further increase TestMasters' national exposure.

31. In addition to investing hundreds of thousands of dollars in both print and on-line advertising, TestMasters also relies heavily on word of mouth on college campuses to get students to enroll. In the test preparation industry, referrals and positive word of mouth are a critical part of any business development strategy.

32. In order to further publicize TestMasters on campuses, in 2001 TestMasters began paying its most popular instructors to travel to colleges across the country and provide free on-hour informational lectures on the LSAT.

33. To arrange for these seminars, TestMasters usually coordinates with colleges' pre-law advisors and/or societies and advertises the seminars by posting flyers around campuses and sending mass e-mails to students in various departments.

34. TestMasters has conducted over 60 seminars at schools all over the country since 2001, including but not limited to: Chapman University; Stanford; University of California, Santa Barbara; Cal State University, Fullerton; University of California, Irvine; University of California, Los Angeles; Cal State University, Long Beach; the University of Southern California; Duke University; the University of Oklahoma; Michigan State University; the University of Washington; Villanova University; Notre Dame University; the University of the South; Auburn University; the University of North Carolina at Chapel Hill; the University of Minnesota; the University of Maryland; Cornell University; the University of Florida; Florida State University; the University of Pennsylvania; Drexel University; the University of Chicago; Temple University;

Northwestern University; the University of Kansas; and Portland State University.

35. TestMasters plans to continue offering these seminars in light of the positive feedback that students have provided the company.

36. Another key part of TestMasters' marketing activities is its relationships with pre-law advisors around the country. TestMasters regularly contacts pre-law advisors and pre-law societies on campuses and sends them printed marketing materials in order to further publicize TestMasters.

37. Forming a relationship with colleges' pre-law organizations has proven to be an effective means of publicizing TestMasters' name to students who are interested in applying to law school and taking the LSAT because students often look to the pre-law advisors for information regarding LSAT classes.

38. TestMasters has sponsored pre-law societies at colleges throughout the country and provides free LSAT courses to low-income and minority students through special outreach programs sponsored by law schools, such as UCLA, the University of the District of Columbia, and the University of North Carolina at Chapel Hill.

39. TestMasters' marketing efforts over the past twelve years, and particularly over the past three years, have been designed to get potential customers to associate the name TestMasters with the unique qualities of TestMasters, including but not limited to the facts that: (1) Robin Singh created the TestMasters program, and has used that program to achieve the world record of eleven perfect scores on the

actual LSAT; (2) TestMasters offer a full-length course with over 80 hours of instruction; (3) every TestMasters student receives a personal set of every available real LSAT question; and (4) all of TestMasters' instructors have obtained a minimum 99% on the LSAT.

**TestMasters' Increasing Name Recognition**

40. In part as a result of TestMasters' intensive advertising and marketing efforts over the past few years, the company's popularity has sky-rocketed.

41. The number of student inquiries TestMasters receives has grown exponentially in recent years.

42. In 1999, the vast majority of student inquiries that TestMasters received were from students in California; now TestMasters receives inquiries from students all over the country.

43. The number of people who visit TestMasters' Web site has jumped from an average of 1,203 hits per day in 2000 to an average of 8,069 hits per day in 2002. by April 2003, the average number of hits per day more than tripled, to 29,494.

44. TestMasters has also enjoyed a significant amount of unsolicited publicity, as several publications, television shows, and radio programs have mentioned TestMasters in recent years.

45. On a MTV broadcast a Princeton Review representative mentioned TestMasters as a major competitor in the LSAT test preparation industry.

46. TestMasters has also been mentioned in several articles about LSAT preparation courses that have appeared on the *L.A. Times* Web site, in UCLA's school newspaper the *Daily Bruin*, and in UC Berkeley's school newspaper *The Daily Californian*.

47. TestMasters is also a popular topic of conversation, questions, and testimonials in Internet chat rooms, where the common theme is a comparison of TestMasters and its main competitors, Kaplan and Princeton Review.

48. Earlier this year, TestMasters hired a public relations firm to further nationally publicize the TestMasters name.

49. On several occasions, TestMasters' founder Robin Singh has been invited to appear on radio shows and has mentioned TestMasters in order to give the company additional national exposure.

50. Mr. Singh recently appeared on the Tom Pope Show, KXL radio, and the Jim Bohanon show to discuss the Michigan University affirmative action case and possible solutions to the affirmative action dilemma, and mentioned TestMasters on each of these three programs.

51. These talk shows are aired in many states across the country. For example, the Jim Bohanon show is aired in 25 states and in Guam and the Western Pacific.

52. TestMasters' chief competitor, Kaplan, has recently acknowledged that it perceives TestMasters as its major competitor, running a half-page advertisement for LSAT classes in UCLA's school paper, the *Daily Bruin*, that

compares Kaplan's classes only with those offered by TestMasters, as opposed to previous Kaplan ads that compared its courses to both TestMasters and Princeton Review.

53. Recently, Stax Inc. ("Stax"), a reputable research and consulting firm based in Cambridge, Massachusetts, performed a research and marketing analysis to determine whether TestMasters has penetrated the LSAT test preparation industry and to determine the degree of brand recognition that TestMasters has achieved. It concluded that TestMasters (1) has used word of mouth referrals to achieve a high level of brand recognition in the LSAT preparation market, (2) is reputed to offer a high-quality LSAT preparation class, and (3) has achieved an excellent word of mouth reputation among students.

54. Based on its research and its interviews of LSAT prep class referral sources, Stax determined that TestMasters is one of the top three LSAT preparation companies, and that it is the dominant company in both the Los Angeles and Berkeley, California, markets. It also found that TestMasters offers more student hours of instruction than the other top companies by virtue of attracting greater student enrolment, even though it has not yet penetrated as many markets as The Princeton Review and Kaplan, the other two prominent national LSAT preparation companies.

#### The Parties' Prior History

55. TestMasters applied for a federal registration for its TESTMASTERS mark in June 1995, which registration was issued in March 1999.

56. In 1999, TestMasters decided to create a Web site to advertise its services. It soon learned, however, that the domain name had already been registered by another company, TES.

57. Upon investigating, TestMasters learned that TES was Houston-based test preparation company that had not started offering test preparation classes until at least 1992. Unlike TestMasters, it did not teach any LSAT classes and did not offer any classes outside Texas.

58. When TestMasters sent a letter to TES demanding that it transfer the registration for the <testmasters.com> domain name to TestMasters, TES responded by filing a lawsuit against TestMasters on August 30, 1999, in the Southern District of Texas seeking a declaration of non-infringement and alternatively, a declaration that the registered TESTMASTERS trademark a descriptive without secondary meaning and that a fraud was allegedly committed on the PTO when it registered the trademark.

59. That action was later consolidated with a case that TestMasters initiated in June 2000 alleging trademark infringement and unfair competition.

60. In the meantime, TestMasters decided to use a different domain name until the dispute could be resolved, and registered for the domain names www.testmasters180.com and www.testmasterssatprep.com. TestMasters launched its Web site in the fall of 1999 and used it to advertise its new classes offered outside of California.

61. During discovery in the consolidated action, TestMasters learned that TES had reserved the domain name [www.testmasters.com](http://www.testmasters.com) in October of 1995, although TES did not launch an active Web site using that domain name until April 2000, eight months after they had brought the lawsuit against TestMasters.

62. TestMasters also learned that almost immediately after TES put up its Web site, it received many misdirected e-mails that were intended for TestMasters. TES produced documents indicating that it had responded to many of these e-mails by writing "I think the company you are looking for is [TestMasters]" or "I believe the company that you are interested in reaching is at [www.testmasters180.com]."

63. TES also responded to several e-mail inquiries that the senders apparently intended to send to TestMasters, by referring these potential customers to TestMasters' main competitors, Kaplan and The Princeton Review, and even to its much smaller and relatively unknown competitor PowerScore.

64. TestMasters also learned in November 2000 that TES' homepage contained a link that stated: "If you are looking for LSAT test preparation service providers, or another TestMasters, click here." Once a prospective student clicked on the appropriate location, a list of "other companies using the name Test Masters on the Internet" appeared.

65. The Web site stated that TES was not associated with the listed companies and that the list was "simply provided as a courtesy." TestMasters was listed as one of the "other Test Masters." TES' site described TestMasters

([www.testmasterslsatprep.com](http://www.testmasterslsatprep.com) or [www.testmasters180.com](http://www.testmasters180.com)) as "Robin Singh, doing business as TestMasters, offering LSAT test preparation."

66. Shortly thereafter, TES changed their website so that it still included its list of "other companies using the name Test Masters on the Internet" and listed TestMasters as one of those companies.

67. However, it also included a statement that "If you are looking for an LSAT test preparation service provider, currently we do not offer LSAT courses. You may wish to contact any of the following companies, which we understand provide LSAT test preparation courses." TES then listed the websites for (1) Kaplan, (2) The Princeton Review, and (3) TestMasters.

68. TestMasters was upset by this change because TES was clearly directing potential LSAT students who had gone to what they thought was a TestMasters Web page, to TestMasters' chief competitors. As of September 2002, TES still had this message on its website.

69. The district court granted summary judgment in favor of TestMasters on TES' claim of fraud on the PTO and the remaining claims were tried to a jury beginning February 5, 2001.

70. After a five-day trial, the jury concluded that TestMasters' mark was descriptive, but that it had acquired secondary meaning.

71. In addition, the jury found that TES had infringed upon and counterfeited TestMasters' mark and also found that TES had engaged in unfair competition in California.

72. The district court at first ordered that the domain name be transferred to TestMasters, but in an abundance of caution, ordered that www.testmasters.com be a split homepage for TES and TestMasters.

73. When a user went to www.testmasters.com, a screen appeared stating that if one is looking for test preparation services in Texas, click the icon for TES, and if one is looking for test preparation services outside of Texas, click the icon for TestMasters.

74. On appeal, considering only the limited and now very out of date evidence presented by TestMasters' prior counsel, the Fifth Circuit reversed the district court and held that TestMasters had not established secondary meaning in its registered trademark.

75. The Fifth Circuit remanded the case for further proceedings, including entry of an order finding that TestMasters' trademark is invalid.

76. Since the Fifth Circuit's opinion, TS has been permitted to maintain the domain name <www.testmasters.com>. It has also taken down the split homepage and removed all references to TestMasters on its Web site.

TestMasters' Activities Since the Fifth Circuit's Decision

77. The TestMasters that was presented to the jury at trial in the Texas action, and that was reflected in the record on appeal to the Fifth Circuit, is simply not the same company that exists today.

78. Since February 2001, TestMasters has grown dramatically in total enrollment size, number of locations, revenue, and exposure to consumers across the nation. Today, TestMasters is a national, highly publicized company that is one of the nation's leading test preparation firms.

79. Given the extensive marketing, advertising, and promotional activities that TestMasters has undertaken in the past few years, and given the very significant expansion in TestMasters' business during that same period, TestMasters filed a new application for a federal trademark registration in July 2002, and is in the process of obtaining state registrations in thirty-one states where it is currently doing business.

80. As of today, TestMasters has obtained state registrations in California, Hawaii, Kansas, Oregon, Tennessee, Arkansas, Montana, Utah, New Jersey, Nevada, Missouri, Indiana and Massachusetts.

81. Since the Fifth Circuit's decision, TestMasters has tried to co-exist with TES. TestMasters has taken every precaution to ensure that it does not infringe upon TES' rights in Texas.<sup>1</sup>

82. TestMasters calls its Texas LSAT preparation course "ScorePerfect," and advertises and markets its classes in Texas solely under that name. TestMasters also set up a separate Web site for ScorePerfect at www.scoreperfect.net.

83. Although TestMasters was disappointed by the Fifth Circuit's opinion, TestMasters was able to derive some comfort from the facts that (1) TES had never held or offered a class outside of Texas in the history of the company, and (2) TES had never held an LSAT class.

84. Moreover, at the trial upon which the Fifth Circuit's record was based, TES' owner and president admitted that the scope of TES' trademark rights "do not extend outside the state of Texas" and that his company has "not operated outside the state of Texas."

#### TES' Current Willful Infringement

85. In contrast to TestMasters' actions in seeking to accept TES' existence and focus its energies on its own business, TES appears to have interpreted the Fifth Circuit's decision as a license to embark upon a deliberate campaign to destroy TestMasters' business and reputation and usurp the brand name and goodwill that TestMasters has worked so hard to earn.

86. TestMasters first began to suspect such a scheme by TES recently, when TES' Web site state, for the very first time, that TES was offering LSAT classes not just in Texas, but across the country using the TestMasters name.

87. After clicking on the "LSAT" icon on the TES homepage, a user would be linked to an LSAT page

containing a map of the United States – a map that looks virtually identical to the map on TestMasters' Web site – and told “to find a course in your state, click either on the map or on a link below.”

88. According to the links for the various states on the map, TES claimed it was offering LSAT courses in every state other than California.

89. It is highly unlikely, however, that TES is actually holding such classes, as test preparation companies do not go from teaching not a single LSAT class – not even in their home states – to teaching LSAT classes in every state but California. Indeed, not even well-established LSAT companies, like Kaplan and The Princeton Review, teach LSAT classes in every state, as there is not a market for LSAT classes everywhere.

90. For example, in the past few years, no LSAT company has held classes in Wyoming or Idaho, and only TestMasters has held LSAT classes in Montana.

91. Upon information and belief, most of TES' business is offering SAT courses to high school students in Houston, Texas. Also upon information and belief, to date TES has never offered any SAT classes outside of Texas, and it has only recently expanded its offerings to include SAT classes in Dallas.

92. Upon information and belief, TES recently offered its first and only class outside Texas – a small engineering class that was taught in Virginia. Upon information and belief, other than this one small class, TES has never offered any classes outside the state of Texas.

93. Thus, it was apparent to TestMasters from TES' Web site that TES is either (1) trying to jumpstart a LSAT prep business by making potential students think TES is TestMasters so it can usurp the goodwill that TestMasters has worked so hard to establish over the years or (2) has no intention of offering LSAT classes and, in complete disregard of consumers' interests, hopes that prospective students will sign up for its course, rather than TestMasters, only to then cancel the LSAT classes it advertised on its Web site and leave students in the precarious situation of having to scramble to find another LSAT course.

94. The TES Web site does not appear to be genuinely seeking students to enroll in TES' apparently new LSAT programs, as it advertises its LSAT course, which is nearly one quarter the length of TestMasters' class, at almost the same price as TestMasters' course.

95. Upon information and belief, TES threw up its Web site quickly and without any attention to detail. For example, when a user clicked on the "New York" icon, a list of the cities in which TES allegedly offers LSAT class in New York was suppose to appear. However, the screen that appeared said "TEXAS LSAT EXAM SCHEDULES" and then listed Brooklyn, Long Island, New York City, and Queens.

96. Unlike all of the other course that TES advertises on its website, which contain abundant substantive course information, TES' LSAT homepage only lists generic LSAT schedules and does not include any other information about the course.

97. Except for the cities in Texas and California, when one clicks on any city in any state on the TES map, one is connected to the same page of a generic class schedule.

98. Perhaps even more telling, it has set up an "LSAT office" separate from its main Texas office (where all of its employees are located and its classes are taught) with its own phone number, although when students call to enroll in its LSAT classes, no one at TES ever answers the phone or returns any of the students' phone messages.

99. Perhaps the best evidence that TES' primary goal is to drive TestMasters out of business is the screen that appears on the TES Web site when a user clicks on "California" on the map on TES' site. That page displays the following message:

Unfortunately, we are not offering classes for the LSAT in California in 2003. We suggest that you consult your local yellow pages for additional options for LSAT preparation. We wish you luck in your LSAT preparation. Thank you for your interest in TestMasters.

100. Thus, the Web site gives the unmistakable impression that TES has offered LSAT classes in California in the past and is in the LSAT business, when in reality the Texas-based company has never offered a single LSAT class anywhere, let alone California.

101. TES' objective is clearly to target California students and lead them to believe that TestMasters is no longer in business in California.

102. Because California is one of its strongest markets, and because enrollment is largely driven by referrals and word of mouth, generating a false rumor that TestMasters is no longer offering classes in California is obviously devastating to TestMasters' business.

#### **TES' Web Site Has Caused Actual Confusion**

103. TestMasters has now learned that its fears are completely justified. Since TES' Web site began advertising LSAT courses, TestMasters has received many calls and e-mails from prospective students expressing their frustration and confusion about whether [www.testmasters.com](http://www.testmasters.com) or [www.testmasters180.com](http://www.testmasters180.com) is the TestMasters LSAT prep course that they are looking for based on their friends' referrals in light of the fact that TES is for the first time claiming to be a national LSAT preparation company.

104. Indeed, TestMasters has even received telephone calls from its current students, who are already enrolled in its classes, who were unable to access information from its Web site because they were looking on TES's LSAT homepage instead of that operated by TestMasters.

105. Moreover, prospective students have expressed their confusion in Internet chat rooms. For example, one student saw the LSAT schedule on TES' Web site and thought it was TestMasters' schedule and that TestMasters' course was only 35 hours of class time, as opposed to the 80 plus hours that it actually offers.

106. Nor is the confusion that TES has caused limited to prospective and current students.

107. Even other companies that do business with TestMasters are confused. On May 30, 2002, TestMasters received a faxed invoice from Educational Testing Services, that was addressed to TES in Houston, Texas.

108. Upon information and belief, TES is purposely trying to prevent students from being able to locate TestMasters. Instead of referring students who have called TES to inquire about California LSAT courses with the phone number of TestMasters, TES has provided these students with the phone number of a software testing company in California called TestMasters, Inc., knowing that it is a software testing company.

109. Most disturbing of all, however, is the fact that TestMasters has now received numerous phone calls from prospective LSAT students, parents, and pre-law advisors who are confused as to whether TestMasters is still offering classes in California or has gone out of business.

110. The fact that this false information is circulating on campuses due to TES' deceptive Web site is devastating to TestMasters' business.

111. In addition to advertising and marketing, TestMasters heavily relies on word-of-mouth and referrals for a significant portion of its business. If people think TestMasters has gone out of business or is no longer offering classes in California, they will stop recommending TestMasters to students and may inform prospective students that TestMasters no longer exists.

112. These rumors are particularly devastating to TestMasters' business because they largely concern

California, its largest market. If TestMasters loses its dominant position in the California market, it will disrupt the core of its business, thus impacting its potential to continue to grow in other states across the United States and overseas.

113. That disruption has already begun as students from all around the country have called TestMasters and expressed their confusion about which TestMasters course is the well-established LSAT course preparation course.

**COUNT ONE**  
**UNFAIR COMPETITION, FALSE DESIGNATION**  
**OF ORIGIN, AND DECEPTIVE ADVERTISING**  
**(15 U.S.C. § 1125(a)(1)(A))**

114. Plaintiff repeats and realleges each allegation contained in paragraphs 1 through 113 of this Complaint as if fully set forth herein.

115. Through its unauthorized use of Plaintiff's TESTMASTERS trademark, or a representation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, Defendant is knowingly and intentionally using in commerce a false designation of origin, false or misleading description of fact, and/or a false or misleading representation of fact as to the nature, origin, sponsorship, affiliation, and/or source of its LSAT test preparation services, so as to create a likelihood of confusion on the part of potential consumers as to the nature, origin, sponsorship, affiliation, and/or source of its LSAT test preparation services.

116. By reason of the aforesaid acts of Defendant of using Plaintiff's TESTMASTERS trademark outside of the state of Texas, Defendant has violated section 43(a) of the Lanham Federal Trademark Act, 15 U.S.C. § 1125(a)(1)(A).

117. As a direct and proximate result of the foregoing acts of Defendant, Plaintiff has suffered and will continue to suffer immediate and irreparable harm.

118. Accordingly, Plaintiff requests that this Court enjoin Defendants from using Plaintiff's TESTMASTERS trademark outside of the state of Texas and grant the other relief outlined in the Prayer for Relief below.

**COUNT TWO**  
**FALSE ADVERTISING**  
**(15 U.S.C. § 1125(a)(1)(B))**

119. Plaintiff repeats and realleges each allegation contained in paragraphs 1 through 118 of this Complaint as if fully set forth herein.

120. Through its unauthorized use of Plaintiff's TESTMASTERS trademark, or a representation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, Defendant has knowingly and intentionally made false and misleading statements of material fact in advertising its LSAT preparation classes, suggesting that it (1) had been offering LSAT courses in California but is no longer doing so, (2) is offering LSAT classes throughout the country, when in fact it has no such plans nor any ability to do so, and (3) is actually the well-known, high-quality LSAT prep company TestMasters.

Defendant's false and misleading statements of material fact mislead students into calling a telephone number to sign up for TES' LSAT classes, which calls are never returned because TES has no bona fide plans or ability to offer such courses.

121. By reason of the aforesaid acts of Defendant of using Plaintiff's TESTMASTERS trademark outside of the state of Texas, Defendant has violated section 43(a)(1)(B) of the Lanham Federal Trademark Act, 15 U.S.C. § 1125(a).

122. As a direct and proximate result of the foregoing acts of Defendant, Plaintiff has suffered and will continue to suffer immediate and irreparable harm, including but not limited to lost customers who are diverted from TestMasters by TES' false and misleading statements.

123. Accordingly, Plaintiff requests that this Court enjoin Defendants from using Plaintiff's TESTMASTERS trademark outside of the state of Texas and grant the other relief outlined in the Prayer for Relief below.

**COUNT THREE**  
**INFRINGEMENT OF A REGISTERED**  
**TRADEMARK UNDER CALIFORNIA LAW**  
**(Cal. Bus. & Prof. Code § 14320)**

124. Plaintiff repeats and realleges each allegation contained in paragraphs 1 through 123 of this Complaint as if fully set forth herein.

125. TestMasters is the owner of a registration under California law for the mark TESTMASTERS.

126. Through its unauthorized use of Plaintiff's TESTMASTERS trademark, or a representation and/or imitation that is confusingly and deceptively similar thereto, on and in connection with LSAT test preparation services outside of the state of Texas, including in California, Defendant is likely to cause confusion or mistake or to deceive the public as to the source of origin of its LSAT test preparation services.

127. By reason of the aforesaid acts of Defendant of using Plaintiff's TESTMASTERS trademark outside of the state of Texas, Defendant has violated § 14320 of the California Business and Professional Code.

128. As a direct and proximate result of the foregoing acts of Defendant, Plaintiff has suffered and will continue to suffer immediate and irreparable harm.

129. Accordingly, Plaintiff requests that this Court enjoin Defendants from using Plaintiff's TESTMASTERS trademark outside of the state of Texas and grant the other relief outlined in the Prayer for Relief below.

**COUNT FOUR**  
**STATE UNFAIR COMPETITION**  
**(28 U.S.C. §§ 2201 et seq. and**  
**Cal. Bus. & Prof. Code § 17200)**

130. Plaintiff repeats and realleges each allegation contained in paragraphs 1 through 129 of this Complaint as if fully set forth herein.

131. Upon information and belief, through its unauthorized use of Plaintiffs' TESTMASTERS trademark,

or a representation that is confusingly and deceptively similar thereto, on and in connection with its LSAT test preparation services outside of the state of Texas, Defendant is knowingly and intentionally misrepresenting and falsely designating to the general public the nature, origin and source of its LSAT test preparations services, and intends to misrepresent and falsely designate to the general public the nature, origin and source of its LSAT test preparation services, so as to create a likelihood of confusion by the public as to the nature, source and sponsorship of its LSAT test preparation services.

132. Defendant's use of TESTMASTERS mark outside of Texas constitutes an unlawful, unfair and fraudulent business practice in violation of California Business & Profession Code §§ 17200 et seq.

133. As a direct and proximate result of the foregoing acts of Defendant, Plaintiff has suffered and will continue to suffer immediate and irreparable harm.

134. Accordingly, Plaintiff requests that this Court enjoin Defendants from using Plaintiff's TESTMASTERS trademark outside of the State of Texas and grant the other relief outlined in the Prayer for Relief below.

**COUNT FOUR**  
**CALIFORNIA COMMON LAW**  
**TRADEMARK INFRINGEMENT**

135. Plaintiff repeats and realleges each allegation contained in paragraphs 1 through 134 of this Complaint as if fully set forth herein.

136. Upon information and belief, through its unauthorized use of Plaintiff's TESTMASTERS trademark, or a representation that is confusingly and deceptively similar thereto, on and in connection with its LSAT test preparation services outside of the state of Texas, Defendant is knowingly and intentionally misrepresenting and falsely designating to the general public the nature, origin and source of its LSAT test preparation services, and intends to misrepresent and falsely designate to the general public the nature, origin and source of its LSAT test preparation services, so as to create a likelihood of confusion by the public as to the nature, source and sponsorship of its LSAT test preparation services.

137. Defendant's use of Plaintiff's TESTMASTERS trademark outside of Texas constitutes trademark infringement under the common law of the state of California.

138. As a direct and proximate result of the foregoing acts of Defendant, Plaintiff has suffered and will continue to suffer immediate and irreparable harm.

139. Accordingly, Plaintiff requests that this Court enjoin Defendants from using Plaintiff's TESTMASTERS trademark outside of the State of Texas and grant the other relief outlined in the Prayer for Relief below.

WHEREFORE, Plaintiff prays that this Court:

a. That the Court find that Defendant has used Plaintiff's famous TESTMASTERS trademark to falsely designate the origin of Defendant's test preparation services and unfairly compete with Plaintiff;

- b. That the Court find that Defendant's unauthorized use of Plaintiff's TESTMASTERS trademark, or a representation that is confusingly and deceptively similar thereto, on and in connection with test preparation services outside of the state of Texas, constitutes false and/or misleading statement of material fact in advertising, which statements are likely to mislead and confuse consumers.
- c. That the Court find that Defendant has infringed Plaintiff's California registered trademark;
- d. That the Court find that Defendant has engaged in deceptive trade practices and unfair competition;
- e. That the Court find that Defendant has infringed Plaintiff's common law trademark rights;
- f. That the Court find a substantial likelihood that Defendant will continue to infringe Plaintiff's TESTMASTERS trademark and engage in false designation of origin, deceptive trade practices, and unfair competition unless permanently enjoined from doing so;
- g. That the Court enjoin Defendant, its agents, servants, employees, attorneys, successors and assigns, and all persons, firms and corporation acting in concert with them, from directly or indirectly infringing Plaintiff's TESTMASTERS trademark and engaging in false designation of origin, deceptive trade practices, and unfair competition, including but not limited to marketing and selling its test preparation services under the name TESTMASTERS outside of the State of Texas;

- h. That the Court order Defendant to place a disclaimer stating, or other indicate, on its current Web site at www.testmasters.com that it is not sponsored or affiliated with TestMasters, or to take other steps to mitigate confusion on the part of consumers as to whether Test Masters Educational Services Inc. is the same company as TestMasters or is sponsored or affiliated with TestMasters;
- i. That the Court require Defendant to file with the Court and to serve on Plaintiff, within 30 days after service of the Court's Order as herein prayed, a report in writing under oath setting forth in detail the manner and form in which it has complied with the Court's order; and
- j. Grant such other and further relief as the Court deems just and equitable.

Dated: June 20, 2003

BRIAN M. BERLINER  
KERRY LYON-GROSSMAN  
O'MELVENY & MYERS LLP

Kerry Lyon-Grossman /s/  
Attorneys for Plaintiff Robin Singh  
Educational Services d/b/a/ TestMasters

## Appendix H

### NEW YORK STATE CONSUMER PROTECTION BOARD

Contact: Jon Sorensen (518) 473-9472  
For Immediate Release: October 25, 2005

#### **Pre-law students caught in web of confusion**

Texas firm has the Internet name, but not the reputation, of a law school preparatory course sought by students

The New York State Consumer Protection Board today issued a warning that a Texas company is using the same name as a California test-preparation course for students seeking admission to law school.

“Students are complaining that a Texas company, using the name ‘Test Masters,’ does not adequately disclose that a different company provides the original ‘TestMasters’ program for pre-law students,” said Consumer Protection Board Chairperson and Executive Director Teresa A. Santiago.

The Consumer Protection Board (CPB) is seeking refunds for these students, as well as new contract language that will help students distinguish between the ‘Test Masters’ course offered by Test Masters Educational Services in Houston, Texas and the original ‘TestMasters’ course taught by a firm in Santa Monica, Ca.

“These two companies should keep the best interests of these students in mind as they wait for the courts to resolve the

question of who owns the 'Test Masters' name," said CPB Chairperson Teresa A. Santiago.

Seventeen students have filed complaints with the CPB after they enrolled in what they thought was the original "TestMasters" offered by Robin Singh's California company.

The students paid nearly \$1,100 for the month-long course that ran between August and September in a classroom rented on the campus of Hunter College in Manhattan. At least 17 students dropped out of the course once they learned that this class was not the "TestMasters" course offered by Singh's firm in California.

Singh created his TestMasters course in 1991 to help pre-law students prepare for the Law School Admission Test ("LSAT"), the national exam used by law schools in selecting students. The Texas firm began in 1992 but it did not offer LSAT courses until 2003 after it won a trademark lawsuit. Prior to 2003, the Texas firm only offered preparatory classes for the SAT and other exams, but not the Law School Admissions Test.

Several students found the Hunter College course through the Internet website, [www.testmasters.com](http://www.testmasters.com), which belongs to the Texas company. The California company has the domain names [www.testmasters180.com](http://www.testmasters180.com) and [www.testmasters.net](http://www.testmasters.net).

Students said they were also confused by a refund-waiver agreement that they had to sign at least twice prior to the start of the classes at Hunter College.

The agreement states, "I am aware that there are other companies that have a name similar to Test Masters and that these other companies have no affiliation with us."

That's inaccurate, according to Reeha Sinha, a 2005 graduate of Rutgers who enrolled in the "Test Masters" class at Hunter College. The course names are not "similar," they are identical, she said.

"All of the names they list are anything but similar to 'Testmasters,'" she wrote in her complaint to the CPB. The refund-waiver agreement, she said, refers to "Robin Singh Educational Services" and other test-prep companies. But it does not reveal that another company also has a course called "TestMasters."

"I believe that the reason they put all of that language in the agreement is that they are fully aware that they are defrauding customers," Ms. Sinha said. "In order to make us waive our rights to a refund, they ask us to sign an agreement saying that we have done our research and that we understand that other companies are doing business under similar names."

Another student, Martine LaCroix, said the Texas firm offered a \$200 discount to students who immediately signed the refund-waiver agreement.

"I thought it was odd that they would make us sign this agreement and (it) made me very uncomfortable," said Ms. LaCroix. "This was the second time that they had me sign this agreement (and) the teachers said we had to sign the agreement right then and there if we wanted to get a \$200 discount."

Lorenzo Bologna, a student at Pace University, said, "I saved all summer to pay for this. Basically I gave everything I had and then I found out I wasn't in the right class. I was kind of upset about that." Mr. Bologna said he is now saving to pay for another LSAT preparation course.

Consumers needing the CPB's assistance may file a complaint by calling 1-800-697-1220 or online at [www.nysconsumer.gov](http://www.nysconsumer.gov).

*(available at <http://www.consumer.state.ny.us/pressreleases/2005/october252005.htm>)*

## Appendix I

### NEW YORK POST

#### LSAT CRAM "SCAM" BARED

By Heidi Singer

October 26, 2005

Future law students are being fooled into forking over \$1,100 for the wrong prep course by a company bearing the same name as the popular "TestMasters," a state watchdog warned yesterday.

The Consumer Protection Board has demanded a Texas company called "Test Masters" – which has a space in its name – refund fees to 17 student who mistakenly took its month-long LSAT preparation course at Hunter College in August. The students dropped out once they realized their mistake.

The original California-based program, which enrolls 600 to 700 New York students each year, provides multiple textbooks, 80 hours of instruction, a toll-free help line and instructors who've scored in the top 1 percent on the LSAT law-school entrance test, according to company CEO Robin Singh.

Roger Israni, president of the Texas firm, said he never misled anyone.

## Appendix J

### HOUSTON CHRONICLE

#### **Test firms fight in court to master LSAT market Similar names cause confusion, claims of sabotage**

By EDWARD HEGSTROM

November 5, 2005

**CORRECTION:** This story incorrectly characterized the history of litigation between Houston-based Test Masters and a California company, TestMasters. It was the Houston company that filed the first lawsuit in 1999. The California company won significant victories in a 2001 jury trial, though most of these were lost on appeal. Also, a statement of an attorney associated with the California company was inaccurately paraphrased. Hassan Zavareei pointed out that the Houston company had not offered courses outside Texas before 2003. Correction published 11/8/05.

College students across the country know that one of the best ways to get into law school is to take a course offered by TestMasters.

Or is it Test Masters?

Two companies using the same name are locked in an ugly trademark fight involving countersuits and allegations of espionage and harassment.

Some students complain that they meant to take the Law School Application Test preparation course offered by the California company known as TestMasters, but were duped

into taking a course by Houston-based Test Masters. The state of New York Consumer Protection Board issued a statement last week warning that the Houston company may not be disclosing that it is a different operation.

"We're not saying (the Houston company's) preparation is better or worse than the California company," said Jon Sorensen, a spokesman for the board. "It's just these kids wanted to take the course from the California company."

But representatives of the Houston company point out they have won the right to use the name twice in federal court. In one action, U.S. District Judge Vanessa Gilmore noted in a ruling that it seemed to her the head of the California company, Robin Singh, was willing to spend "unlimited amounts of money" on a "campaign of terror" against the Houston company.

Caught in the middle are young would-be lawyers like Vanessa Cruz.

Cruz, a paralegal in New York, said she signed up for a course offered by Houston-based Test Masters, thinking she was taking the course from TestMasters. Realizing her mistake only after completing the course, Cruz then took the course offered by California-based TestMasters.

The California course was "100 percent better," she said.

#### Multiple lawsuits

Both companies were founded in 1991, but the similarity of the name was not initially a problem. Singh's company operated mostly in California with almost an exclusive focus

on LSAT preparatory courses. Singh boasts of having gotten a perfect score on the LSAT a record 12 times, and he hires only teachers who have scored in the 99th percentile on the test, according to his Washington D.C.-based attorney, Hassan Zavareei.

The Houston company focused on coaching local high school students taking the SAT. Three of the four Houston area students who got a perfect score on the most recent SAT were graduates of the Test Masters program, company president Roger Israni said.

In 1999, Singh sued the Houston company (SEE CORRECTION) in U.S. District Court of Houston for the use of the name, particularly the site [www.testmasters.com](http://www.testmasters.com). He lost (SEE CORRECTION), appealed to the 5th Circuit Court of Appeals and lost again.

Meanwhile, Singh was expanding his business across the country. He sought to reopen the case in 2003 based on this new information, but lost another time. His second appeal to the 5th Circuit was turned down just last month.

In 2003, Houston-based Test Masters started offering the LSAT courses in several locations across the country. Israni describes this as being part of a natural expansion.

The company first offered courses for engineers and then general graduate school tests before moving on to the LSAT, he said.

Zavareei calls the LSAT classes a deliberate and underhanded effort to undermine Singh's company, and he

notes that Israni's company had not previously offered many courses outside Texas (SEE CORRECTION).

"They're doing it to shortcut the hard work it takes to build a national business," Zavareei said. In several cases, he said, students sign up for a course and then learn at the last moment it won't be offered in that city.

#### The fine print

Israni counters that Singh is trying to disrupt his classes.

"Mr. Singh has relentlessly indulged in various improper, illegal and possibly criminal activities," alleges Israni, who claims Singh sends spies to disrupt his classes.

Israni notes that his LSAT students are asked to sign an agreement acknowledging that they are aware that there are courses with similar names, and that the course they are taking is not associated with Singh.

"It says specifically: We're not that guy," Israni said. "If you're looking for him, that's not us."

Sorensen noted that students who take Israni's courses by mistake might be faulted for not carefully reading the fine print.

"These future lawyers perhaps need to do a little more due diligence," he said.

*(available at [http://www.chron.com/CDA/archives/archive.mpl?id=2005\\_4002724](http://www.chron.com/CDA/archives/archive.mpl?id=2005_4002724))*

## **THE DAILY ORANGE**

**Similarly named LSAT preparation courses confuse students**

**By Lauren Pauer**

November 2, 2005

Students looking to improve their Law School Admission Test scores may be misled by two test preparation companies using the same name and offering similar student services.

The New York State Consumer Protection Board issued a warning Thursday that a company based in Texas operates under the same name as a California-based company. Though both offer LSAT preparation courses, the two are separate companies. The California-based TestMasters has offered courses since 1991, and the Texas company, Test Masters - with a space in its name - started offering LSAT preparation courses in 2003. The company started offering SAT preparation courses in 1991.

Nineteen students who mistakenly signed up for the Texas-based company's courses have filed complaints with the board, charging that the company did not disclose it was not the original, and what is considered the more reputable, TestMasters course. Each student paid \$1,099 for registering early - the price is regularly \$1,299 - for 20 three-hour classes. The California-based company charges \$1,250 for 20 four-hour classes. Many did not get their money back after they discovered they signed up for the wrong course and requested a refund.

All registrants also had to sign a refund waiver and confidentiality agreement that stated they understood other companies who may have similar names to Test Masters are not affiliated with the Texas company. One example listed was Robin Singh Educational Services, which runs the California-based TestMasters courses.

Reeha Sinha, a 2005 graduate of Rutgers University in New Jersey, was one of the students who filed a complaint with the Consumer Protection Board. She said she believed taking an LSAT preparation course would increase her score and had heard of TestMasters creator Robin Singh. Singh has received more perfect scores on the LSAT than anyone else in the world, according to the company.

But when Sinha typed "test masters" into Google, the first Web site listed was testmasters.com, the site for the Texas company. TestMaster's Web site is testmasters180.com or testmasters.net. The former URL is listed first when "testmasters" is typed as one word into the search engine. She registered for a course in New York City, thinking she was signing up with the Santa Monica-based company, which, like its rival, offers courses nationwide.

Sinha started doubting the credibility of the Texas company's course when she got in the classroom.

"It was really not what I expected it to be, but I thought they must know what they're doing; I'll give it a chance," she said. "They went over some techniques and gave us two huge books. But they just photocopied LSAT practice tests and bound them. They're all things you can buy online for \$300.

"If you asked (the instructor) a question, she didn't really know how to answer it. She threw it back to the class, so we were relying on each other for the right answer. And there's a good possibility we won't know the right answer," she said. "I don't think they had any formal training."

Calls to the Houston-based Test Masters were not returned.

Another student announced in Sinha's second class that the course was not run by Singh's California company. Sinha and a handful of others walked out, upset and believing they were scammed.

"I spent my first two paychecks ever on this. I don't have the kind of money, especially living in New York, for fake classes and inadequate preparation," said Sinha, who hopes to still attend law school, but is taking a year off to work. Her credit card company has temporarily refunded her money while it investigates the matter, she said.

Some students, after receiving a refund, tried to enroll in a California-based TestMasters course, but were denied because they had signed the Texas company's refund waiver and confidentiality agreement, said Jon Sorensen, spokesman for the New York State Consumer Protection Board, which issued a warning about the confusion and said it does not make judgments or take sides. The company has since allowed all students to enroll in its courses.

Sharon Naim, in-house council for the California-based TestMasters, denounced the Texas company as "sorely taking advantage of students."

"They realized we have the same name and thought, 'Hey, we could really make some money off this,'" Naim said. "In 2003 they altered their Web site to look like ours and offered courses every location where we have classes."

TestMasters went to court to gain the rights to that Internet domain name, but the court ruled in favor of the Texas company, Sorensen said. Courts have also ruled that both companies have the legal right to their names.

The lesson, Sorensen said, is to research a company before buying a product or service. He recommended checking a company's reputation and reliability with the Better Business Bureau or the Federal Trade Commission, as well as a company's Web site.

The Better Business Bureau gave the Texas-based company an unsatisfactory record in its reliability report due to unanswered complaints. The bureau gave the California company a high rating in its company report.

"The company gave proper consideration to complaints presented by the bureau," the report stated.

In New York, the Texas-based Test Masters offers LSAT preparation courses in New York City, while the California-based TestMasters offers courses in New York City, Long Island and Ithaca.

The Syracuse University Pre-Law Advising Office does not recommend or endorse any one test preparation company.

"We have no research or information indicating that students who take these courses perform better than those who study

on their own using one of the many LSAT prep book available at bookstores and online," said Teresa DiManno, director of Career Exploration Services and Pre-Law Advising, in an e-mail.

DiManno also said the office mistakenly put the Texas company's Web site address in its pre-law handbook when they meant to put the California company's Web address.

*(available at <http://media.www.dailyorange.com/media/paper522/news/2005/11/02/News/Similarly.Named.Lsat.Preparation.Courses.Confuse.Students-1041780.shtml?source=domain=www.dailyorange.com&MIIHost=media.collegepublisher.com>)*

### **THE REBEL YELL University of Nevada, Las Vegas**

#### **LSAT scam takes students' money**

**By: Ryan Orr**  
November 3, 2005

A Houston-based test preparation company is swindling law students into thinking that they are a more reputable LSAT preparation company based out of Santa Monica, Calif. with the same name.

TestMasters is a world-renowned company based out of Santa Monica that provides 80 hours of instruction, multiple textbooks, a toll-free helpline and instructors who have all scored in the top 1 percent of the Law School Admission Test. CEO Robin Singh, who created the company in 1991,

has set a world record by receiving 12 perfect scores on the official LSAT.

But Test Masters, the Houston-based company, has been scheduling LSAT prep courses and canceling them at the last minute, leaving some students in an awkward position and often without a refund.

UNLV has been no exception.

On the Houston-based company's Web site, UNLV is listed as a destination for one of their classes. The first class was set to be 48 hours over four weekends starting Oct. 29 and ending Nov. 20.

Asmita, a receptionist from the Houston-based company who refused to give her last name, said that the UNLV class had been canceled because of lack of registration but they notified all students a week ahead of time.

Officials at the company did not return phone calls.

But she said the company was legitimate, having improved SAT scores since 1991.

The mix-up prompted the New York State Consumer Protection Board to issue a release Oct. 25 warning students about Test Masters. The board also requested the company refund the fees of 17 students in New York who mistakenly paid for the classes.

The real deception for the students who do sign up for the Houston LSAT prep courses, however, is the agreement that they sign.

The agreement states, "I am aware that there are other companies that have a name similar to Test Masters and that these other companies have no affiliation with us."

According to The New York State press release, Reeha Sinha, a 2005 graduate of Rutgers University who enrolled in the Test Masters course, said the agreement was used to make her waive her right to a refund.

The company charges \$1,299 for its regular classroom course.

The confusion between the two companies has been mainly caused by the Web site domain name.

The Houston-based company also started in 1991 and was able to secure testmasters.com before the California-based company, whose website is testmasters.net and testmasters180.com. The actual only difference in their formal titles is that the California-based company is TestMasters as one word and the Houston-based company in question is Test Masters with two words.

Also in the Consumer Protection Board press release, Pace University student Lorenzo Bologna said, "I saved all summer to pay for this. Basically I gave up everything I had and then found out I wasn't in the right class. I was kind of upset about that."

Test Masters been offering LSAT prep courses only since 2003.

Sharon Naim, the in-house council for the more reputable company said, she has received many complaints and testimonials from students who have been duped.

Naim said one student in New York who stayed in the Test Masters class said she got a lower score on her second LSAT than on her first.

"That rarely happens in our business," Naim said.

In another case in Washington D.C., Naim said the instructor who taught a class actually told the class that he had never taken the LSAT.

[[[Steven Savoy, the instructor in question, is listed on the Houston-based Web site as getting one of the highest scores on the SAT after attending their prep course. It also lists only his high school. It still does not explain why he was instructing an LSAT prep course.]]]

There is also a lawsuit pending that was filed by students in Washington D.C. after finding out the truth about the company that they had mistakenly signed up with.

There is another class listed on the Test Masters Web site that is supposedly going to take place at UNLV starting on Jan. 6.

Ebony Sullivan, a Boyd Law School receptionist, said he has never heard of or from the company. Companies that want to set up test preparation courses here have to rent out the rooms, and he said the only one that has done so through the UNLV law school is Kaplan.

(available at <http://www.unlvrebelyell.com/article.php?ID=712>)

## OU DAILY

**Companies dispute name similarity  
Two test preparation companies are fighting over  
comparable titles.**

**By James Nghiem**

November 09, 2005

A California-based test preparation company is warning students about possible foul play from another company with similar name.

Sharon Naim, in-house counsel for TestMasters, said students should be wary of the Texas-based test preparation company named 'Test Masters.'

"It's one of the greatest scams in American history," Naim said.

Recently, the New York State Consumer Protection Board issued a warning about the name similarities.

"TestMasters and Test Masters aren't similar (names), they're the same (name)," Naim said.

The Texas-based company's Web site lists Norman as an active course site. Under the LSAT section, the approximate location for the course is listed as University of Oklahoma.

Naim said TestMasters, a company that has been administering LSAT preparation courses since 1991, is accusing the Texas-based company of stealing their business under a stolen name.

Roger Israni, president of the Texas-based company, said this is merely a trademark dispute between the two companies and maintains he has done nothing wrong.

"The trademark has nothing to do with them duping students," Naim said.

Israni said not only does he have rights to the name, he also claims the California-based company has sent corporate spies to walk into his classrooms and act confused, sabotaging his business.

Naim said this accusation is ridiculous.

The California-based TestMasters was created in 1991, according to the New York State Protection Board Web site. The Texas-based company began in 1992 but did not offer LSAT courses until 2003 after it won a trademark lawsuit, the site states.

Naim said problems arose when the Texas-based company launched their Web site under the domain name testmasters.com and caused confusion among customers.

"They started invading our market," Naim said.

Naim said some students who accidentally signed up for the Texas company's classes immediately thought something

was wrong when they arrived for instruction and dropped out of the class.

Naim said the Texas company's practices are giving her company an unmerited bad reputation, hurting her company's overall business.

Naim said TestMasters loses about 500 customers a year to the name confusion.

Dawn Joyce, California resident, said she enrolled in what she thought was TestMasters' LSAT preparation course. Joyce said she did not know there were two schools with the same name. She said when she confronted her instructor, from the Texas-based school, he accused her of being a corporate spy.

Naim said though her company is suffering some losses, they are minor ones compared to the losses of the students who are caught in the middle.

Kathryn Hall, a customer of the Texas-based company, issued a testimony to the state of New York.

Hall said she accidentally enrolled in the Texas-based company's course under the false perception that it was the California-based company.

"I was surprised that for \$1,100, we (she and her classmates) would only get a plastic binder with typed hand-outs and a few authentic LSAT questions and two commercial books of actual LSATs that are available to the public at Barnes and Noble," Hall said in her testimony.

Naim said if too few students enroll, the Texas-based company cancels its classes.

Gina Ciraldo, in her testimony to the District of Columbia, said she signed up for the Texas-based Test Masters' LSAT course and experienced a similar situation.

"I was contacted by Test Masters right before the course was supposed to start. They said they were not sure if the course would happen in Miami because not enough people had signed up for that location," Ciraldo said in her testimony.

Ciraldo said she was disappointed, but the telephone operator from the company said the course would be administered in Houston, Texas, and she should fly to Houston to participate. Ciraldo said she really wanted to do well on her LSAT and flew to Houston, where she was left feeling unimpressed by a course that she thought she heard so many good things about.

Joyce said she thinks it's okay if the Texas company wants to offer an LSAT preparation course but still thinks that it is attracting students by intentionally causing them to perceive its program as the California-based TestMasters.

Joyce is currently preparing for the LSAT with TestMasters of California and wants to be ready by Dec. 3, the day she hopes take the exam.

Naim said it is wrong to deceive potential law students at such a crucial time in their development, citing the LSAT is a pivotal milestone in a law student's career.

"They've prepared their whole lives to go to law school," Naim said.

*(available at [http://www.oudaily.com/vnews/display.v/ART/2005/11/09/4372cebfdfabd?in\\_archive=1](http://www.oudaily.com/vnews/display.v/ART/2005/11/09/4372cebfdfabd?in_archive=1))*

## **THE DAILY TEXAN**

### **LSAT prep courses cause copyright stirs**

**By Nhu Le**

November 16, 2005

When Washington, D.C. resident Dawn Joyce went to the first session of her Law School Admissions Test prep course, she was greeted with a crowd of protesters. They were handing out pamphlets informing students that the class was not taught by TestMasters, a California company. Instead, they told her, the course was from Test Masters, a company based in Houston.

The two companies are in continuing legal battles over nationwide trademarks.

Joyce said that she confused Test Masters with TestMasters. Now she's one of roughly 20 students who filed lawsuits against the Houston-based company for monetary compensation. They are accusing the company of misleading them.

The California-based Test-Masters is run by Robin Singh, the world record holder of 12 perfect LSAT exams. Singh's company operates under the name TestMasters in 49 out of 50 states. Because of copyright laws, it is called Score

Perfect in Texas. Singh said all course instructors have scored in the 99th percentile on officially administered LSATs. Students in her program receive more than 80 hours of instruction, and instructional materials are original to the course.

The Houston company began as an SAT prep course in 1991 and only operated in Texas, but in the recent years, has branched out its LSAT prep course nationwide, excluding California. The company guarantees a 10-point increase, or the student can retake the course for free. The company also assures students that all of its instructors have scored in the 170s out of a possible 180.

Roger Israni, the owner and president of the Houston Test Masters, said his company offers three course books with a total of 2,000 pages. The course materials are developed by a professional staff and bounded commercially.

Students who have taken the Houston-based Test Masters course have complained that the company has not met their needs.

Shanda Wyse, manager for the Texas Princeton Review in Austin, said she has had unsatisfied students join her program who have taken a course from the Houston-based company.

Wyse said the students complained about the Houston Test Masters' course materials, which they said was photocopied and superficial.

"The instruction was not in-depth enough to prepare them for the LSAT," she said.

Frequent prep course cancellations and instructors without enough training are also common complaints with Houston Test Masters.

Israni said his company requires all of his instructors to take an exam either administered by the Law School Admission Council or one given by his company. He says they reserve the right to cancel their personal LSAT scores. Israni said that each of his instructors specializes in one section of the exam.

Singh said the Houston company is impersonating his company and purposely misleading students.

Much of the confusion occurs when students type in the domain [www.testmasters.com](http://www.testmasters.com), which is owned by the Houston-based company. Students looking for Singh's company mistakenly sign up for the Houston-based company, Singh said. Singh's domain is [www.testmasters.net](http://www.testmasters.net) or [www.testmasters180.com](http://www.testmasters180.com).

Singh originally won a jury trial for trademark rights to the TestMasters name in February 2001, but in 2002, Israni appealed the case and won because there was insufficient evidence that Singh's company was well-known enough for people to specifically seek out the TestMaster's logo.

Many companies make new students sign contracts, but usually these involve redistributing course materials and refunds. Students that sign up for a Houston-based Test Masters course must agree to an additional stipulation, waiving "any rights to claim confusion or misrepresentation

in any way" about the company's non-affiliation with Singh's company.

The Houston-based company lists 601 Colorado St. as its Austin location, which is also the address for O. Henry Hall, an administrative building for the UT System.

Officials in the building said they had never heard about the Houston-based Test Masters.

According to Israni, the company doesn't have actual locations anywhere besides Houston; they just lease out offices. He did not have specific knowledge about the Colorado Street address listed on the Web site.

The student newspapers at colleges such as Syracuse University, Oklahoma University and University of Nevada, Las Vegas also reported similar incidents of confusing the two testing companies at their campuses.

*(available at <http://www.dailytexanonline.com/media/paper410/news/2005/11/16/StateLocal/Lsat-Prep.Courses.Cause. Copyright.Stirs-1058741.shtml?norewrite&sourcedomain=www.dailytexanonline.com>)*

## **CHICAGO MAROON**

### **Copycat LSAT prep company offering course at U of C**

**By Hassan S. Ali**

November 18, 2005

Amid recent complaints filed by the New York State Consumer Protection Board (CPB), a Houston-based test

preparation company called Test Masters Educational Services, Inc. (TES) has set up registration for LSAT courses on the U of C campus. However, the company's legal history and disputed business practices have raised questions about its future at the University.

According to an October 18 order filed in the U.S. Fifth District Court of Appeals, the Houston-based company has a history of trademark disputes and "mutual animosity" with another company called "TestMasters," based out of California. The California company filed a trademark request for the name "TestMasters" in 1999, but took legal action after learning that the Texas company ("Test Masters") had already secured trademark rights for the domain name [www.testmasters.com](http://www.testmasters.com) in October 1995, according to court documents.

The names of both companies are different only in that the Texas firm has a space in its name, but the minor detail has spurred a series of lawsuits and appeals that are yet to be resolved.

Roger Israni, president of Test Masters, said in a release that his company was incorrectly represented by the New York CPB and by its competitor in California.

"We have had over 63,000 satisfied customers since 1991," he said.

The California firm began offering courses for the LSAT in 1991, while the Houston company was formed in 1992, only offering courses for the SAT, MCAT, GMAT, and other standardized tests, according to court documents. The Texas

company only recently began offering LSAT courses after it won a trademark lawsuit in 2003.

The court order also comments on multiple cases of confusion created by the companies' similar names, in which several students found courses through the website, [www.testmasters.com](http://www.testmasters.com), which belongs to the Texas firm. The California company, which owns the domain names [www.testmasters180.com](http://www.testmasters180.com) and [www.testmasters.net](http://www.testmasters.net), alleged that potential customers who intended to sign up for its services were misled by the information on its Texas competitor's website.

Despite calls made to the Houston Test Masters headquarters and further inspection of its website, details of the company's plans at the U of C remain cloudy.

"The [Houston company's] site lists 'University of Chicago' as the testing place, but when you click further into the website (to sign up for a class), it lists 'a location close to the University of Chicago' as the testing place," said Karen Afshari, assistant dean for Administration at the Law School. "I called the 800 number on their website and the operator said they hold the tests at hotels within a three-mile range of the noted spot, but that she did not have an exact location."

Afshari added that she plans on bringing the issue to the attention of the University's legal office, "so they can determine if it is appropriate for [the Houston company] to make it appear as though the University is a testing place."

An operator of the Houston company, who refused to be identified, said that a precise location would be determined

in December, and that any such location would be "near the University of Chicago."

In an e-mail interview, one student highlighted serious concerns for the possible recurrence of such cases on the U of C campus. "When students like myself find out they have been duped, the fake Test Masters makes a full refund contingent on the signing of a confidentiality agreement so they won't complain or tell anyone about it," said the student, who was not affiliated with the University and wished to remain anonymous fearing retaliation from the Texas company. "I would check with your school to see if they in fact have a contract with these people, because I bet in many cases they don't."

The Houston-based Test Masters has planned on holding its weekend LSAT courses from January 7 until January 29, 2006, which have been priced at \$1,099 after a \$200 early registration discount, according to the company's website.

"I haven't heard anything concerning this fraudulent spin-off company," said Liana Hollingsworth, a fourth-year in the College and Test Preparation Liaison for Habeas Corpus, a student group that provides information and advice to students planning for law school. "We have had dealings in the past with TestMasters [California], but we do not currently have a relationship with them," she said, adding that the group only holds relationships with Powerscore, Inc., a South Carolina test preparation company, and Brody Admissions, based in Skokie, Illinois.

Imran Ahmad, Habeas Corpus's former president and a third-year in the College, credited the group's previous commitments to the California TestMasters company.

"They [California-based TestMasters] tend to focus their efforts mainly on the LSAT and are consistently referred to as one of the top LSAT prep courses by University of Chicago students, beating out Princeton Review and Kaplan," Ahmad said. "If anything, the 'ripoff' is capitalizing on this name recognition, though I was unaware that they have started offering courses at the University of Chicago as well."

The New York State Consumer Protection Board (CPB) issued a warning on October 25 detailing the confusion created by the companies' similar names. "Students are complaining that a Texas company, using the name 'Test Masters,' does not adequately disclose that a different company provides the original 'TestMasters' program for pre-law students," said CPB Chairperson and Executive Director Teresa A. Santiago. The report reiterated ongoing litigation between both companies' accusations of trademark infringement.

The CPB report came after a group of students enrolled in what was thought to be a course offered by the original California TestMasters company. According to the report, students paid nearly \$1,100 for a month-long course between August and September 2005 in a classroom rented on the Hunter College campus in Manhattan. The CPB was alerted when 17 of these students withdrew from the class and filed complaints after realizing that the course was not that of the original California company, but was rather under the operation of the Houston-based Test Masters company. The CPB is reportedly seeking refunds for these students and has called for improved contract language to more clearly differentiate the two companies.

(available at [http://maroon.uchicago.edu/news/articles/2005/11/18/copycat\\_lsat\\_prep\\_co.php](http://maroon.uchicago.edu/news/articles/2005/11/18/copycat_lsat_prep_co.php))

## THE UNIVERSITY DAILY KANSAN

### Test company tests students' patience

By John Jordan

Wednesday, November 30, 2005

Students signing up for practice LSAT courses should be aware of who they are signing up with.

Seventeen students filed a complaint with the New York Consumer Protection Board about a company misusing a name to steal their business.

The students thought they were taking courses with TestMasters, a Santa Monica, Calif., company started by a man who had the world record with 12 perfect LSAT scores. Actually, they signed up with the Houston based Test Masters — with a space between the words.

The confusion comes from the companies' Web sites. The company the students wanted, Santa Monica based TestMasters Web site was [www.testmasters.net](http://www.testmasters.net) or [www.testmasters180.com](http://www.testmasters180.com). Houston based Test Masters has [www.testmasters.com](http://www.testmasters.com), a domain the company got to keep in the state of Texas after a lawsuit in 2003. The Santa Monica company has the rights in the 49 other states.

The students accuse the Houston-based company of canceling classes at the last minute, having unqualified

instructors and not refunding their money after they realized they were in a different course.

Sharron Kaim, in-house legal counsel for Santa Monica's TestMasters, called the Houston based company's practice "the greatest scam in the world."

The University of Kansas' pre-law advising office has not heard any complaints about the company, said Wendy Rohleider-Sook, assistant director of the advising center and pre-law coordinator.

Houston based Test Masters is planning on a course in Manhattan on Dec. 18 and 19. The company could not confirm whether the class would happen. No students have signed up.

Dineil Diaz, a senior at Pace University in New York City, heard good things about the California based company. She went to [www.testmasters.com](http://www.testmasters.com) and inadvertently signed up with Houston based Test Masters.

Diaz said during the third day of class, there was a "mutiny" when a student came into class and said all of them had been "duped." Twenty students dropped and enrolled with the Santa Monica company. Diaz said she couldn't change courses because she had spent more than \$1,000 and couldn't afford to switch.

The Houston-based company also made Diaz sign a waiver saying she couldn't get a refund. After staying in the course, she got the same score as when she took the diagnostic LSAT without the help of a course. She said she had not been able to get a refund or another course.

The waiver said there were other companies with similar names, but did not mention the Santa Monica company by TestMasters. The company has now changed the waiver to include the name.

"It's ridiculous," Diaz said. "I just got ripped off \$1,100. I wasted all that time."

She said she must take the LSAT later, and because of this she will miss the application deadline for five law schools.

These complaints are unfounded because students sign a waiver that acknowledges there are two companies operating under the name, said Jordan Brient a spokeswoman from the Houston-based company.

"They lost twice in court, and now they're trying to try it in the press," said Brient.

Instructors from the Santa Monica-based company do not have to take an actual LSAT course, but an online test administered by the company.

"These two companies should keep the best interests of these students in mind as they wait for the courts to resolve the question of who owns the 'Test Masters' name," said CPB Chairperson Teresa A. Santiago in a press release.

(available at <http://www.kansan.com/stories/2005/nov/30/lsat/>)

## **EMORY WHEEL**

### **LSAT prep course scam exposed**

**By John Jordan**

University of Daily Kansan (U. Kansas)

December 02, 2005

(U-WIRE) Lawrence, Kan. — Students signing up for practice LSAT courses should be aware of whom they are signing up with.

Seventeen students filed a complaint with the New York Consumer Protection Board about a company misusing a name to steal their business.

The students thought they were taking courses with TestMasters, a Santa Monica, Calif., company started by a man who had the world record with 12 perfect LSAT scores. Actually, they signed up with the Houston-based Test Masters — with a space between the words.

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Instructors from the Santa Monica-based company do not have to take an actual LSAT course, but rather an online test administered by the company.

"These two companies should keep the best interests of these students in mind as they wait for the courts to resolve the question of who owns the 'Test Masters' name," said Consumer Protection Board Chairperson Teresa A. Santiago in a press release.

*(available at [http://www.emorywheel.com/vnews/display.v/ART/2005/12/02/438fa354ab4fc?in\\_archive=1](http://www.emorywheel.com/vnews/display.v/ART/2005/12/02/438fa354ab4fc?in_archive=1))*

## THE INDEPENDENT FLORIDA ALLIGATOR

### Test-prep company faces dubious doppelganger

By LYNDSEY LEWIS

December 6, 2005

A test preparation company is being accused of defrauding law school hopefuls around the country, including some from UF, by purporting to be another LSAT preparation company that bears an identical name.

Houston-based company Test Masters boasts to have improved student SAT scores since 1991, but the company only began offering LSAT preparation in 2002.

The other TestMasters company, which is based in Santa Monica, Calif., has also been in operation since 1991 but offers only LSAT courses.

Sharon Naim, the Santa Monica-based company's in-house counselor, said many students have mistakenly enrolled in the Houston company's courses because it controls the domain name [testmasters.com](http://testmasters.com). She added that in another effort to confuse students, the Houston company sometimes spells its title as a single word, like the Santa Monica company.

In addition to accusations from students that they have been deceived by the Houston business' name and were denied refunds from the company, there are other allegations surfacing that the company's instruction is either substandard or completely nonexistent.

Former University of Pennsylvania student Gina Ciraldo said she was eager to enroll in an LSAT preparation course after graduating, so she signed up for a Test Masters class in her hometown of Miami that was offered by the Houston-based company.

Later, Ciraldo said, the course was abruptly canceled due to what Test Masters said was a lack of sufficient enrollment. However, Ciraldo said that the Houston-based Test Masters actually cancels the majority of its courses before sessions begin.

"It makes it seem like [Test Masters is] offering their course everywhere, even though they don't actually have teachers in these places," she said.

Ciraldo said Test Masters offered her the chance to enroll in a Houston LSAT course, so she agreed to fly from Florida to Texas every weekend for a month in order to take the class.

The reason she traveled for the class is because of the Santa Monica-based company's reputation, she said. Its founder completed the LSAT perfectly 12 times and holds the record for the most perfect scores.

However, upon attending course sessions in Houston, Ciraldo and other classmates noticed that the preparation material was inadequate and the instructor didn't seem knowledgeable about the LSAT at all.

Naim said the Houston Test Masters business routinely deceives students into believing they are enrolling in the California company's courses.

"I don't think [the Houston-based Test Masters has] prepared more than 100 students," she said. "They don't even require that their instructors take a real LSAT."

Naim said that the Santa Monica preparation company is very popular at UF and that she's received about three calls from UF students who accidentally signed up for the Houston-based company's course, only to learn that it would never be offered.

"To my knowledge, they've never actually offered (a course in Gainesville)," said Pam Black, an instructor for the Santa Monica-based TestMasters who teaches in both Gainesville and Tallahassee.

She added that many of her students come to her class warning of fraud within the Houston-based company.

A spokesman for Houston's Test Masters, who asked to remain anonymous, said that the only reason Test Masters cancels its courses is due to enrollment of fewer than six students, and that course cancellations are widely practiced within the test-preparation industry.

"[Allowing courses to take place without sufficient enrollment is] not profitable. This isn't a charity," he said, adding that 95 percent of the courses offered by Test Masters eventually occur as scheduled.

Naim refuted the spokesman's claim, stating student testimonies prove that the majority of Test Masters courses never take place.

Additionally, a clause within the company's student agreement, which is required to be signed at least 10 days before a course's commencement, states that students are ineligible for refunds if they take legal action against Test Masters.

Another waiver students must sign requires them to acknowledge that Test Masters is not operated by other companies including Robin Singh Educational Services, which owns the Santa Monica-based TestMasters.

The Santa Monica company plans to take its case to the U.S. Supreme Court.

*(available at <http://www.alligator.org/pt2/051206test.php>)*

## **OREGON DAILY EMERALD**

**Dueling masters tangle with student test-taking plans  
Test preparation companies sharing the same name clash  
because of issues such as how students can distinguish  
between them and the quality of their services**

**By Kelly Brown**  
November 29, 2005

What a difference a space makes.

The New York State Consumer Protection Board has issued a warning against Test Masters, a test preparation company based in Texas, saying the name is too similar to TestMasters, a California-based company that offers Law School Admissions Test preparation courses.

Seventeen students who took the Test Masters prep course at Hunter College in New York said they thought they were enrolling in a TestMasters course, according to a press release from the NY CPB. They have since filed complaints with the NY CPB, according to the release.

TestMasters offers classes here in Eugene, and Test Masters has advertised classes in the area.

Jon Sorenson, the spokesman for the CPB, said that although CPB did not examine what each program offered, the names seemed similar enough to cause problems.

"We never did try to evaluate one product over another, but it's clear that the one company has the reputation and is the one that students, at least the ones that we talked to, were seeking when they enrolled," he said.

He added that the board issued its warning to help with consumer awareness, and that although he doesn't feel the Texas company is fraudulent, he wants students to know the difference.

"It's not our impression that they're running a scam," he said. "We're just trying to make people aware, which the company is not doing a good job of."

The Texas company owns the domain [www.testmasters.com](http://www.testmasters.com), while the California company owns [www.testmasters.net](http://www.testmasters.net).

Clint Woods, who does public relations for the Texas company, said the California company has seriously overstated claims of fraudulence, adding that the company

has always had students sign a form that clearly notes they are separate companies.

"We've revised this to be even more thorough, and honestly we wish they'd do the same," he said.

But Sorenson said the wording of the agreement that students must sign before taking the Texas company's prep course was misleading. The document previously read, "I am aware that there are other companies that have a name similar to Test Masters, and that these other companies have no affiliation with us."

"When they use the word 'similar' in describing the other company name, it's not similar, it's identical," he said. "To use the name of the California outfit is somewhat misleading and not fully informative."

The company's revised agreement reads: "I am aware that there are other companies that operate under the name Test Masters."

Several students who filed statements said that after hearing about the California company from friends they logged onto [www.testmasters.com](http://www.testmasters.com), not knowing that it was a different outfit.

Sharon Naim, the vice president and in-house counsel for the California company, said the company's troubles started in 2003, when a Texas court ruled that the Texas company had the rights to the name in the state, but she added that the case was decided on a technicality.

She said that after the lawsuit the Texas company expanded their offerings — previously only the SAT and engineering tests — to LSAT prep in an attempt to cash in on her company's good name.

Since then, the California company has been contacted by several students who mistakenly thought that they were enrolled in TestMasters, only to find that they were actually in Test Masters.

Naim said in a telephone interview that the Texas company has a history of scheduling classes only to cancel at the last minute, leaving students unable to enroll in another LSAT prep course.

"It's a disgrace," she said. "A lot of students are getting their lives destroyed. ... They have to travel because there's not enough instructors to teach them."

She also was upset by the Texas company's 10-point score increase guarantee, which she said does not function as a guarantee should.

"To most people, a guarantee means you can get your money back, but not with these people," she said. "It means you get to take their stupid course again."

James Shrader, who is in his second year of master's work at the University of Chicago, mistakenly enrolled in a Test Masters course after his friends recommended TestMasters. He said in a phone interview that after his scheduled class in Philadelphia was canceled, he was forced to drive to New York to attend the classes at Hunter College.

He found the classes "sub-par" and was "immediately disillusioned," but he didn't find out it was a different company until a classmate came in and announced that it wasn't the real TestMasters course.

"Then the instructor, whose name was Sean, said, 'No, no, we're the real Test Masters; they're the fake TestMasters,'" Shrader said.

Shrader said many of the students stormed out and some looked "shell-shocked."

"One girl was crying in the corner, because the LSATs are so important," he said.

Although the company refunded \$600 of the \$1,100 he paid for travel expenses because of the cancellation, he wants the balance of \$500 back.

"It's put incredible stress on my life and has been one of the worst things that's ever happened to me lately," he said.

Woods said the allegations of class cancellations are false.

"Ninety-five percent of the classes that are scheduled go through," he said.

He said classes are only canceled if fewer than six students are enrolled.

He said the California company is now waging a public relations war against his company.

"We have won in court twice, and he's trying — because he can't win in court — he's trying his case in the media, and the people that lose are the students," Woods said.

Sorenson said he doesn't feel this is a clear-cut case of a company acting unethically.

"It's not entirely the fault of the Houston company," he said. "These students might have done better in checking this out, getting to the bottom of it. But they, like us, were surprised that there were two companies out there with the same name."

(available at [http://www.dailymarble.com/vnews/display.v/ART/2005/11/29/438c29ee637f3?in\\_archive=1](http://www.dailymarble.com/vnews/display.v/ART/2005/11/29/438c29ee637f3?in_archive=1))

## THE DAILY NORTHWESTERN

### Two identical-sounding companies have different LSAT prep reputations

by Ketul Patel

January 27, 2006

Northwestern pre-law students should be careful about which LSAT preparatory course they register for, because they might not be signing up for the class they expect.

TestMasters and Test Masters offer LSAT classes nationwide. Test Masters' Web site lists courses that will be offered at NU in preparation for the June LSAT.

That company, Test Masters of Houston, has been accused by the New York State Consumer Protection Board for

misleading students into thinking that it's the same as TestMasters, a California-based company. Both companies offer LSAT preparation classes, which cost more than \$1,000 each.

The California-based company — TestMasters — has offered the courses nationwide since 2000. Test Masters began offering classes nationally in 2003.

Dineil Diaz, a Pace University senior, took a Test Masters class at Hunter College in New York City and complained it was inadequate in preparing her for the LSAT. Students also said the name was confusing and they thought they were taking a TestMasters course.

Alex Elson, Weinberg '01, took the Hunter College course. He wanted to take a TestMasters course, but he accidentally registered for Test Masters online through testmasters.com, which is owned by the Texas company. The California company's Web site addresses are testmasters.net and testmasters180.com.

During the second session of the course, a student told the entire class they were actually taking a course by the Texas company. Most students thought they were taking the California organization's course, Elson said.

Elson received contradictory replies when he contacted Test Masters about a refund.

"I was very frustrated," he said. "The whole process was unprofessional on their side. They led me along because they were nice on the phone, but there was no substance behind the promise."

The Consumer Protection Board issued a warning Oct. 25 that Test Masters was not adequately disclosing that it was a different company from TestMasters. Test Masters, in refund-waiver agreements students signed, referred to the California company by its formal name, Robin Singh Educational Services.

Elson filed a complaint with the New York Attorney General's Office and was offered a settlement, which he said he plans to reject.

John Elson, Alex Elson's father and an NU law professor, said he is collecting evidence in preparation for a lawsuit he is considering filing on behalf of Chicago-area students who signed up for the Texas company's class. He said he is not yet ready to file the suit.

"It seems to me that the students were understandably misled when they signed up on the (Test Masters) Web site," John Elson said. "There was no disclosure that their name is similar to the older, more established TestMasters."

Clint Woods, public relations consultant for Test Masters, said the company is a legitimate test-preparation company.

"We won rights to the name and we are not out to get anyone," he said.

He also said that the company is working with the Consumer Protection Board to give refunds to students who were dissatisfied with the class. The company is also changing the student agreement to note the name difference between the

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two companies, Woods said. The students have not yet received the refunds.

Robin Singh, CEO and author of the course for TestMasters, said that he felt the Texas service was trying to use his company's reputation for its own gain.

"It's unnerving that I put 12 years into this company, and it has grown nationally, but people are signing up for the other course because they look at the domain name, testmasters.com," Singh said.

*(available at [http://www.dailynorthwestern.com/vnews/display.v/ART/2006/01/27/43d9b5644c0f7?in\\_archive=1](http://www.dailynorthwestern.com/vnews/display.v/ART/2006/01/27/43d9b5644c0f7?in_archive=1))*

## Appendix K

### 15 U.S.C. § 1051(a):

#### (a) Application for use of trademark

(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify that -

(A) the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be the owner of the mark sought to be registered;

(B) to the best of the verifier's knowledge and belief, the facts recited in the application are accurate;

(C) the mark is in use in commerce; and

(D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, except that, in

the case of every application claiming concurrent use, the applicant shall--

(i) state exceptions to the claim of exclusive use; and

(ii) shall specify, to the extent of the verifier's knowledge --

(I) any concurrent use by others;

(II) the goods on or in connection with which and the areas in which each concurrent use exists;

(III) the periods of each use; and

(IV) the goods and area for which the applicant desires registration.

(4) The applicant shall comply with such rules or regulations as may be prescribed by the Director. The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein.

**15 U.S.C. § 1116(a):**

**(a) Jurisdiction; service**

The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner

and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

**15 U.S.C. § 1119:**

In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.

**35 U.S.C. §2(a):**

(a) In General.--The United States Patent and Trademark Office, subject to the policy direction of the Secretary of Commerce -

(1) shall be responsible for the granting and issuing of patents and the registration of trademarks; and

(2) shall be responsible for disseminating to the public information with respect to patents and trademarks.